

**EFFECT OF ACCOUNTABILITY ON FINANCIAL SUSTAINABILITY AMONG
NON-GOVERNMENT ORGANIZATION IN NAROK COUNTY, KENYA**

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**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT OF THE
REQUIREMENTS FOR THE AWARD OF MASTER OF BUSINESS
ADMINISTRATION DEGREE IN ACCOUNTING OPTION OF
MOUNT KENYA UNIVERSITY**

MAY, 2025

DECLARATION AND APPROVAL

This is my original research project, which has not been submitted for a degree at any other university.

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DEDICATION

I dedicate this project to Jack Dillon, Christine Tiyo, sons Sanare, Saitabau & Sadala and the resilient people of Narok county and entire Kenya.



ACKNOWLEDGEMENT

I am grateful to Almighty God for the opportunity to pursue this degree and for providing

everything needed to complete the course. My heartfelt thanks to my father, Fr. Jack Dillon, for guiding me toward the light of education when I was close to giving up. I deeply appreciate my Supervisor for her unwavering support throughout this research project. Thank you for your reliability, availability, insightful counsel, time, effort, and for constructively challenging my understanding of the research. I also extend my sincere gratitude to the lecturers at Mount Kenya University for their academic resources that greatly contributed to the program. A special thanks to my classmates for their valuable input and the enriching collaboration we shared. Lastly, I thank the administrative and support staff for their assistance during my studies.

ABSTRACT

Nongovernmental organizations play an important role in providing education, healthcare, social aid, and other welfare services in most developing nations, including Kenya, and hence their financial viability cannot be overlooked. Financial sustainability necessitates that NGOs be able to meet all of their resource and finance requirements while also being in existence for an indeterminate future. However, only a tiny proportion (10%) of NGOs had achieved a desirable degree of institutional and financial sustainability. The purpose of this research was to evaluate how accountability affects the financial sustainability of public governance NGO's. The study's specific aims were to investigate the impact of financial planning, financial monitoring and evaluation, and financial controls on the financial sustainability of Narok County's public governance NGOs. The study looked into how NGO financial regulation influences the relationship between accountability and NGO financial viability. Resource mobilization theory, agency theory, and fraud theory served as guides for the study. The study used a descriptive research methodology, and data was acquired by primary means, such as questionnaires. The study's target demographic was Narok County's 180 non-governmental organizations (NGOs) that deal with public governance. The census sample technique was used for all finance managers from each NGO who responded. As a result, the study used a 180-person sample size. The acquired data was evaluated using both quantitative and qualitative data analysis techniques. SPSS was used for data entry, descriptive analysis, reliability testing, correlation analysis, and multiple regression analysis. Diagnostic tests performed included multicollinearity, normalcy, and heteroscedasticity. Data was gathered through the use of questionnaires and analyzed using descriptive and inferential statistics. The study indicated that the independent variables Financial Control ($r=0.695$, $p<0.05$), Financial Planning ($r=0.448$, $p<0.05$), and Financial Monitoring and Evaluation ($r=0.597$, $p<0.05$) all had a positive and substantial effect on NGO financial sustainability. The Regulatory Framework was shown to have no moderating effect on the link between accountability and financial sustainability ($F\text{-change}=1.037$, $p\text{-change}=0.312$). Accountability has a favorable and significant impact on NGO financial sustainability ($r=.708$, $p<0.05$). The study showed that a large percentage of NGOs were not sustainable, which might be addressed by enhancing NGOs' accountability standards. The study advised that NGO management seek to improve accountability processes in order to improve the NGO's financial sustainability.

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ABBREVIATION AND ACRONYMS

GDP	: Gross Domestic Product
KPLC	: Kenya Power and Lightening Company
MFI	: Microfinance Institutions
NGO	: Nongovernmental Organization
OECD	: Organization for Economic Cooperation and Development
SMEs	: Small and Micro Enterprises
SPSS	: Statistical Package for Social Science
USAID	: United States Agency for International Development



CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Nongovernmental organizations (NGOs) play an important role in the delivery of education, social aid, health, and other social welfare efforts in developing nations such as Kenya, hence their financial sustainability must be considered. Furthermore, NGOs contribute to raising public knowledge about critical issues of concern, such as monitoring the activities of the government and other entities that benefit the community (Goddard & Assad 2016). To achieve their goals, NGOs must be transparent, accountable, and managed with the highest level of integrity. This is predicated on the reality that financial accountability methods used by NGOs to deliver development objectives have an impact on the success of the organizations' efforts (Agyemang, Awumbila, Unerman, & Dwyer, 2019).

Financial accountability is a key issue in nonprofit organizations around the world (USAID, 2020). According to empirical data, the challenge is more frequent in Kenya (Karanja & Karuti, 2021; Njoroge 2018; and Odhiambo, 2018). Non-governmental institutions with strong financial accountability systems can provide consistent income flows, allowing them to meet organizational goals and achieve financial sustainability (Anthony & Young, 2023). Furthermore, companies seek to maximize resources and increase organizational performance, which cannot be accomplished without effective financial accountability procedures (Habeeb, 2018). The majority of non-governmental organizations in Kenya rely on donor financing for financial sustainability (Odhiambo, 2018), emphasizing the widespread need for financial responsibility. Financial sustainability among NGOs cannot be maintained without the ability to mobilise resources, which necessitates financial accountability. According to differential

association theory, a lack of financial accountability can lead to employee dishonesty and infection of honest personnel, aggravating the problem of financial sustainability. Resource-based theory, on the other hand, contends that financial sustainability is determined by the organization's internal resources and how well those resources are used to generate the necessary funds (Brinkmann & Henriksen, 2022; Fanning & Cogger, 2019; Cressey, 2018).

1.1.1 Financial Accountability among Nongovernmental Organizations

Financial accountability among the nongovernmental organizations has been on an upward trend for the past two decades. This has been attributed to the increased incidences of funds being lost through fraud, embezzlement, lack of accountability and more NGOs been introduced (Kristin, 2019). In addition, unclearness of the NGOs' goals among the managements and stakeholders also contribute to perceived NGOs lack of accountability (Mawanda, 2018). Additionally, NGOs are non-profit in nature and therefore their financing is majorly donor based with the donors demanding that they be accountable (Jordan & Tuijl, 2021). Further, donor funding has been on the decline with Bezjian, *et al.* (2019) arguing that to ensure sustainable donor funding, non-governmental organizations have to adopt appropriate mechanisms to ensure financial sustainability.

Financial accountability has number of components including financial monitoring, financial planning, financial reporting disclosure, financial control and evaluation. Financial planning entails transparency in budgeting and involvement of all the stakeholders in budgeting process. Lack of transparency in financial planning does not auger well with most of the stakeholders which affects NGOs revenue streams and hence financial sustainability (Odhiambo, 2023). Accountability constitutes financial objectives both long and short term that aim at achieving the speculated financial incomes while financial reporting and monitoring on the other hand aims at fostering transparency in

financial use in the NGOs (Kristin, 2021).

In Kenya, the financial accountability of the NGOs may either be brought about by the external pressure from regulatory bodies such as NGO coordination board and internal pressure from the major stakeholders who demand maximization of their capital. For instance, the board in 2016 deregistered over 1,252 of the 4,000 NGOs registered in Kenya that have violated the terms and conditions set out in their registration documents. NGOs have also to develop internal accountability structures in addition to the accountability levels demanded by the regulatory bodies and the external players (Odhaimbo, 2018).

1.1.2 Financial Sustainability

According to Johnson and Scholes (2017), sustainability is a measure of an organization's ability to achieve its goals while meeting the needs of its stakeholders. It refers to the firm's ability to grow, expand, and function efficiently over time. To be financially sustainable, organizations must implement suitable tactics that include foundations, fundraising, and advocacy (Dorothy, 2017). Organizational sustainability is divided into three categories: financial sustainability, organizational sustainability, and service delivery sustainability (Johnson & Scholes, 2017).

Financial sustainability in NGOs assesses their self-sufficiency and ability to meet financial responsibilities and utilize resources in order to fulfill their missions while meeting the needs of stakeholders (Karanja & Karuti, 2021). This is pushed from both a broad and interdisciplinary perspective to ensure that the firm remains relevant and that current spending does not impede future generations' spending (Pearce and Robinson, 2018). To ensure the sustainability of NGOs, solid financial management, reliable financial sources, and financial accountability are required to permit increasing cash inflows, predictions, and market developments (Nturibi, 2020).

Organizations must also adhere to proper governance norms, as well as possess managerial knowledge and abilities (Ganesh, Swami, & Shaik, 2019). The organization's financial sustainability has been linked to the firm's financial situation and strength. When sustainability is not achieved, the firm is unable to obtain additional donor money or generate more revenue (Anthony and Young, 2018). Financial sustainability can be quantified using liquidity, net income, and the firm's solvency (Karanja & Karuti, 2021).

1.1.3 Non-government Organization in Kenya

NGOs in Kenya perform critical roles in a variety of fields, including social, political, economic, agricultural, and cultural development. NGOs play an important role in both public and commercial development in international partnerships. In this context, they are granted several benefits, including waivers and tax breaks (Karanja and Karuti, 2018). As a result of their role in reforms, NGOs are regarded as critical actors in advocacy, contributing to the creation of broad policy dialogues as well as the promotion of people's well-being. However, NGOs in Kenya have been regarded as having poor ties with citizens, which has been caused by challenges in political, historical, and cultural elements (Ebrahim and Kasturi, 2020).

Over the years, foreign involvement in NGOs and donor donations have decreased dramatically, with donors withdrawing from initiatives and programs. This has also resulted in a move toward more humanitarian help and recovery of contributed funds (Johnson and Scholes, 2017). This has had an impact on the operations of non-governmental organizations (NGOs) in Kenya, which must be accountable in order to get additional funding. The removal of donor money has resulted in reduced operations due to financial insecurity, which is the most important aspect in the long-term viability of NGOs (Karanja and Karuti, 2021).

1.1.4 Governance Nongovernment Organization

Public governance NGOs advocate for good governance, which contributes to poverty elimination and successful economic development. Better governance fosters better service delivery and accountability in the public sector (OECD, 2021). To fulfill their duty of pushing for greater public corporate governance, public governance NGOs must set a good example by implementing proper accountability practices. Furthermore, the role of public governance NGOs is regarded as secondary in comparison to NGOs promoting fundamental services such as health (OECD, 2021).

As a result, lack of accountability is more likely to have a detrimental impact on the financial viability of public governance NGOs than on organizations providing fundamental services. Furthermore, the institutional methods through which NGOs participate in diverse political systems continue to be constrained. Due to the nature of their position, these NGOs' lack of accountability is projected to dramatically diminish donor funding. Governance duties are frequently viewed as secondary when compared to other NGOs' roles, which include providing health care and fundamental amenities such as education (NGO Bureau, 2021).

1.2 Statement of the Problem

Over the last decade, the Non-Governmental Organization (NGO) sector has grown rapidly and played an increasingly important role in attaining economic inclusion. These organizations play an important role in a country by providing health services, promoting public governance, and contributing around Ksh. 80 billion to GDP each year. However, despite the benefits obtained from the NGOs, the majority of them have been identified as not being financially viable, with just 10% of the NGOs meeting the requisite financial sustainability criteria. (Nuka, 2020). This has resulted in a more than 20%

reduction in donor financing and the withdrawal of 510 NGOs' licenses due to a lack of accountability and diminishing financial sustainability (NGO Coordination Board, 2018).

Financial accountability has therefore been ascendant among NGOs, with demands from funders, taxpayers, and customers for non-profits to be more transparent about their fundraising and spending, governance, and resource utilization (Ebrahim & Kasturi, 2020). NGOs in public governance, in particular, are under increasing scrutiny from regulators and donors to better account for the impact and integrity of their activities, as they are perceived to influence politics and finance political activities (OECD, 2021). As a result, lack of accountability is more likely to have a detrimental impact on the financial sustainability of public governance NGOs than organizations providing fundamental services.

Empirical findings have failed to effectively examine the impact of accountability on financial sustainability in Kenya. Omeri (2018) found that financial sustainability is crucial for the stability and growth of non-governmental organizations. Juma (2022) discovered that adequate accountability mechanisms boosted the sustainability of non-governmental organizations. Karanja and Karuti (2019) found that accountability and financial planning play an important role in the sustainability of non-governmental organizations. However, the study only looked at NGOs based in Isiolo. Similarly, Abongó and Ombaba (2018) discovered that efficient financial management was critical for financial sustainability in donor-funded community programs.

However, the study was unable to determine whether the financial management strategies used had an impact on the operations and sustainability of the individual non-governmental organizations. Ngahu and Mutinda (2016), on the other hand, found that financial responsibility and resource mobilization had no impact on NGOs' financial sustainability. In his analysis, Odhiambo (2018) did not connect accountability to

financial sustainability. Murithi (2019) discovered that despite having reporting frameworks for accountability and transparency, NGOs' sustainability levels remain low. However, the study did not go into any detail on the reasons behind the poor sustainability levels. This is consistent with Odhiambo's (2018) observation that there is a lack of accountability among NGOs in Kisumu County.

The studies done have mostly focused on project outcomes, capacity building, and stakeholder engagement, rather than the factors driving financial sustainability. Furthermore, less emphasis is placed on the financial sustainability of NGOs, which may be owing to their association with unlimited donor funding. Notably, none of these studies assessed the impact of accountability on the financial viability of NGOs in Narok County, Kenya.

This means that the problem of NGO sustainability has yet to be properly studied, and as a result, NGO managements are not fully informed on the impact accountability has on financial sustainability, and may continue to suffer from a lack thereof. Based on this information vacuum, this study sought to answer the following question: what influence does accountability have on the financial viability of public governance NGOs in Narok County?

1.3 Purpose of the study

The purposes the study was to evaluate the effect of accountability on financial sustainability of NGOs in Narok County.

1.3.1 Specific Objectives

- i. Evaluate how financial planning impacts the financial viability of NGOs in Narok County.
- ii. Assess the impact of financial monitoring and evaluation on the financial viability of NGOs in Narok County.
- iii. Determine the effect of financial controls on financial sustainability of NGOs in Narok County.
- iv. Examine the moderating effect of NGO regulation on accountability on financial sustainability in Narok County.

1.4 Research Questions

- i. Financial planning has no effect on financial sustainability of NGOs in Narok County.
- ii. Financial monitoring and evaluation has no effect on financial sustainability of public governance NGOs in Narok County.
- iii. Financial controls has no effect on financial sustainability of public governance NGOs in Narok County.
- iv. NGO regulation has no moderating effect on accountability on NGO financial sustainability.

1.5 Significance of the Study

Financial sustainability is a major concern for NGOs in Narok County, and it poses a threat to their continued existence. As a result, this study gives more light on whether the financial sustainability challenge can be met by enhancing financial responsibility practices. The data will be critical for NGO management and stakeholders, who will be able to improve the financial sustainability of their organizations through accountability measures.

This study will provide insights for the donor community, particularly in Kenya, on whether enhancing financial accountability mechanisms will improve the financial sustainability of NGOs they finance. This will offer people hope that the NGOs they fund will continue to exist, and their stated objective will be realized. The study will be beneficial to NGO regulators since it will provide answers on NGOs' financial practices and sustainability. Based on the findings, authorities will be able to develop policies that increase NGOs' accountability and financial sustainability.

The Kenyan government stands to benefit from the study since the findings would allow the government to provide help to NGOs as they conduct development projects in the country. Adopting the study's suggestions will make NGOs more viable, which means their ability to assist the government in lowering social difficulties will improve. The study will be beneficial to NGOs in Narok County since it will examine the relationship between accountability and NGOs' financial sustainability. The study's recommendations are expected to strengthen accountability processes, resulting in greater financial sustainability. It is envisaged that by making NGOs more accountable, they will be able to obtain more donor financing and, as a result, achieve the established objectives and goals.

Scholars will also benefit from the study because it adds to the body of information on accountability and the financial viability of non-governmental organizations (NGOs). This relationship has not been completely examined in the literature, thus the study will shed light on it and serve as a foundation for future research. As a result, the findings will motivate additional research, contributing to existing theory. Finally, the general public will profit from the study since the report's recommendations will be embraced by NGOs and made sustainable. Sustainable non-governmental organizations (NGOs) can provide employment and services to the community. This study will lead to higher donor

financing, changes in legislation, and a reduction in fund misappropriation among NGOs, which deprives the public of the right to the funds.

1.5 Scope of the Study

This study only looked at public governance NGOs with offices in Narok County, as listed by Kenya's NGO regulator. This means that all other non-governmental organizations (NGOs) outside Narok County, as well as for-profit organizations were excluded. According to the NGO Coordination Board (2024), there were 550 NGOs involved in public governance in Kenya, hence these organizations made up the study population. Additionally, a census sampling approach was employed to choose the target sample from the overall population. While numerous other criteria may influence NGOs' financial sustainability, the study focused solely on how financial accountability affects financial sustainability. The study will be carried out between the month of August 2024 and December 2024.

1.6 Limitation of the Study

Challenges are unavoidable in life, and the process of carrying out this study presented various challenges. The first problem that was encountered was data collection where respondents were hesitant or unable to provide the necessary information due to factors such as a busy schedule, lack of understanding of the study's role, and so on. To address this, the researcher made the questionnaire brief, with straightforward questions to avoid respondents' recollection. The significance of the study was also thoroughly explained to the respondents and the necessary approval was requested from the appropriate authorities.

The study was additionally hindered by a lack of timely responses from participants. To solve this problem, the researcher sent emails and made calls to verify that the

questionnaires were returned on time. The researcher also requested occasional leave from the office to devote more time to the research.

1.7 Delimitations of the Study

The geographical delimitations of this study focused specifically on the NGO's in Narok County, Kenya. This choice confined the research to the geographical boundaries of Narok County, excluding other counties or regions within Kenya. By concentrating solely on this area, the study aimed to effect of accountability on financial sustainability of NGOs in Narok County. This geographical focus was intended to allow for a more in-depth analysis of local financial accountability practices on sustainability. However, it also meant that the findings may not fully represent the experiences or conditions in other counties or regions, potentially limiting the broader applicability of the results.

1.8 Assumptions of the Study

The study assumed that participants from the NGO'S in Narok County provided honest and accurate responses regarding accountability on financial sustainability. It is also assumed that financial planning, financial monitoring and financial control are relevant and accurately reflect the key aspects influencing accountability on financial sustainability within the context of NGO'S in Narok County , Kenya. Additionally, the study presumed that the accountability practices adopted in NGO's in Narok County are representative of similar issues faced by other NGO's in other counties in Kenya. even though the research is geographically limited to this specific area. These assumptions are foundational for the study's analysis and interpretation of data.

1.9 Operational Definition of Key Terms

Accountability	Refers to an obligation or desire to account for one's own acts or accept responsibility. This necessitates transparency in all efforts.
Financial Planning	A complete evaluation of a company's current financial position as well as future projections of cash inflows and commitments.
Financial Monitoring and Evaluation	This entails defining how funds will be spent in accordance with the objectives stated in order to improve present and future output, outcome, and impact management.
Financial Controls	These are procedures put in place by a company to manage and track all financial activities and assets.
Financial Sustainability	It refers to an organization's ability to financially support its activities and pass on the benefits of its existence to future beneficiaries while ensuring that resources are used effectively.
Governance	This is the process by which a society or organization develops and implements policies to govern how operations are carried out.
Nongovernmental Organization	An organization that is not part of the government and is not for profit.
Public Governance	This is related to the power dynamics between civil society and the government, as well as the impact on communities.
Sustainability	The ability to maintain a particular behaviour indefinitely while supporting or upholding it.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter presents a critical overview of the theoretical and empirical literature on the impact of accountability on NGO financial sustainability and other relevant topics. The chapter is structured into four sections: theoretical review, empirical review, chapter summary, and conceptual framework.

2.1 Theoretical Review

NGOs are non-profit organizations whose existence can be explained by a variety of hypotheses that have evolved over time. In recent years, the issue of how local NGOs can assure their financial viability has risen to the forefront, with many ideas best explaining this dynamic. Various theories, including resource-based theory, resource mobilization theory, and fraud theory/differential association theory, are explored to better comprehend the concept of financial accountability and the sustainability of NGOs.

2.1.1 Fraud Theory/ Differential Association Reinforcement Theory

The theory is attributed to the work of Burgess and Akers (1966). Differential Association Reinforcement Theory holds that behaviours of individuals are determined and vary based on other individuals who they have association with. These interactions formulate the understanding of society norms and values and mould how they behave. The theory makes the main assumption that interactions between individuals create a learning platform through which one is able to know what is expected in the society. In this regard, those behaviours or traits considered not to be acceptable in the society are assumed not to be avoided.

In the subject of finance, the idea explains why people participate in fraud and other behaviors that have an impact on an organization's financial viability. Harrison et al. (2021) have recently advanced the Differential Association Reinforcement Theory. Cressey (2020) goes on to say that the dishonesty of certain employees is likely to have a detrimental impact on those who are honest and will emulate them. The ingredients of fraud will thus show as deceptive representations of knowledge, material facts, and dishonest behavior.

Similarly, Harrison et al. (2021) argue that fraud may emerge as a result of agency difficulties produced by managers who prioritize their own interests. The theory's implications for the study are that accountability measures minimize the likelihood of fraud, hence protecting the financial viability of the organization. As a result, initiatives such as internal audit and management are thought to play a significant role in encouraging enhanced accountability in businesses. According to the report, an organization without accountability measures encourages dishonesty and fraud, which undermines donor confidence in the NGO, resulting in the organization becoming financially unsustainable.

2.1.2 Resource Mobilization Theory

Resource Mobilization Theory was developed in the 1970s by resource mobilization theorists McCarthy and Zald (1977). This hypothesis holds that prosperity and affluence both have an impact on society activity. As a result, affluent organizations can produce resources that allow for resource mobilization (McCarthy & Zald, 1977). According to the theory, organizations do not appear out of nowhere, but rather require resource

mobilization in order to succeed. Resource mobilization comprises the formation of groups, associations, or enterprises with the goal of pursuing collective objectives.

The theory emphasizes an organization's ability to mobilize and acquire resources, as well as its ability to achieve short and long-term organizational goals (Tam & Kiang, 2021). In NGOs, the most important resource to effectively mobilize is funds, which are required for financial sustainability to be maintained and improved. However, Ludwig and Pemberton (2021) contend that the theory's main flaw is that it fails to account for how organizations with limited resources can succeed and effect change in society without the mobilization of resources.

The study's theoretical implications are that NGO financial viability is determined by how effectively NGOs mobilize resources. However, sustainable resource mobilization is no longer possible since donors are more worried about how the mobilized resources are used, which necessitates financial accountability. If resources are mobilized from a vast pool of donors who provide tiny amounts, they may be less concerned with financial accountability. The hypothesis proposes that the effectiveness of resource mobilization and usage is the most important factor of financial sustainability in non-governmental organizations (NGOs). As a result, under these conditions, financial responsibility will have no direct impact on the financial sustainability of nongovernmental organizations.

2.1.3 Agency Theory

Alchian and Demsetz introduced agency theory in 1972, and Jensen and Meckling refined it further in 1976. According to the principle, organizations employ another organization to provide a service. As a result, the idea is based on the principal-agent relationship. The principal permits the other party (agent) to complete a certain duty on their behalf, resulting in agency relationships (Eisenhardt, 2019). According to the notion,

both organizations and managers have diverse but common motivations, which result in good working partnerships.

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Agency theory was proposed by Alchian and Demsetz in 1972, and subsequently improved by Jensen and Meckling in 1976. According to the principle, companies hire another organization to perform a service. As a result, the concept is predicated on the principal-agent relationship. Agency connections arise when the principal authorizes the other party (agent) to perform a certain responsibility on their behalf (Eisenhardt, 2019). According to the theory, both companies and managers have diverse but common motivations, which lead to effective working relationships.

Agency theory's recommendations are naturally compatible with the concerns at the heart of NGO accountability and financial sustainability. Donors give cash to non-governmental organizations (NGOs) for specified purposes. The managers of NGOs may have different goals from those intended by the sponsors. The managers misappropriate the funds or fail to apply them to the goals for which the donors provided the funds. The theory's contribution to the study is that the presence of agency conflict in NGOs causes managers to fail to be accountable for operations, which can lead to agency issues.

According to agency theory, a lack of responsibility will result in lower funding and, as a result, the organization's viability.

2.2 Empirical Review

The empirical review is explored in terms of financial planning, monitoring and evaluation, financial controls, accountability, NGO regulation, and financial sustainability. The conceptual framework serves as a guide for the debate.

2.2.1 Financial Planning and Financial Sustainability

Financial planning is a vital tool, whether on paper or on a computer. Financial plans help companies identify the essential operations needed to attain research objectives. Financial plans provide for the identification of the specific person in charge of ensuring that the objectives are met effectively and within the predicted time frame. Financial planning includes budget control, overhead ceilings, financial reporting, financial proposal analysis, and stakeholder participation (Hassan & Forhad, 2018).

Recognizing the significance of financial planning in maintaining organizational financial sustainability, Juma (2021) used a descriptive research approach to investigate the factors influencing the sustainability of donor-funded community development initiatives in Bungoma County. The study found that the project finance system had a significant impact on project sustainability when auditing was done quarterly.

Obo (2019) also used a descriptive research design to examine the sustainability of microfinance in Ethiopia. The study intended to identify the strategies implemented to ensure the institutions' long-term viability. The study discovered that microfinance institutions' missions and visions did not properly articulate the importance of sustainability. However, strategic plans directed at MFI self-sustainability, indicating that the institutions can be sustainable with the proper frameworks. Except for government-

owned institutions, Ethiopian MFIs are not operationally or financially self-sufficient, according to the report. The recommendation was that the regulatory structure be made more flexible, and that MFI mergers be encouraged.

This contrasts with Ayom (2018), who investigated internal controls and performance in South Sudanese non-governmental organizations (NGOs). The study used a descriptive research design with the dependent variable being the performance of management science for health and the independent variables being internal control in the nonprofit organization sector. The analysis discovered that the payment mechanisms used by Management Sciences for Health. Received a positive response, with the majority stating that it performed well.

2.2.2 Financial Monitoring and Evaluation and Financial Sustainability

Kamwana and Muturi (2018) investigated the influence of financial management on the success of World Bank-funded projects in Kenya, focusing on KPLC projects. The study intended to ascertain how financial planning, monitoring, assessment, and control influenced performance. The study used a descriptive research design to collect data from 500 KPLC employees using questionnaires. According to the study, financial planning, financial monitoring, financial evaluation, and financial controls (certain measures of accountability) all contributed to project success with a coefficient of determination of 0.89.

The report advised that project performance policies and practices be carefully examined, with the findings feeding back into improved ways. This is related to Ernest (2022), who researched and identified the organizational variables that influence the viability of local non-governmental organizations in Ghana. Owolabi (2020) investigated the link between NGO accountability and sustainable development. It was discovered that, as in many

other countries and NGOs, the NGOs reviewed were primarily accountable to the owners or stakeholders with economic control over their organizations, and that regular monitoring and evaluation of fund application occurred. The stakeholders on whom the organisations have an impact receive little attention in terms of accountability. While Kakumani and Prabhakar (2021) discovered that monitoring and assessment techniques increased donor confidence, hence influencing the volume of funding accessible to enterprises.

2.2.3 Financial Controls and Financial Sustainability

Mbuva (2021) conducted research on the elements that influence the financial sustainability of women-owned SMEs in Machakos County, Kenya. The study found that government loan accessibility, financial innovation, capital structure, and financial management all had an impact on the financial sustainability of women-owned SMEs in Machakos County. The study revealed that women entrepreneurs had a favorable view regarding government loan regulations, procedures, and repayment terms.

According to the findings on Financial Innovativeness, entrepreneurship and bookkeeping skills improved the financial sustainability of women-owned SMEs. On capital structure, it was determined that debt financing was preferable to equity capital, and the cost of borrowing (interest) had an impact on the financial appropriateness of women-owned SMEs.

Finally, financial management abilities, management style (management assisting employees with innovative ideas), and attendance at entrepreneurship courses, business seminars, and forums improved the financial sustainability of women-owned SMEs. The researcher recommended that the government and its agencies focus their efforts more broadly on women-related areas in order to achieve even and rapid economic

development. Lambert (2018) examined the influence of non-governmental groups aiding girls' education in Ghana. According to the report, non-governmental organisations face competition for private donations, foundation cash, and government subsidies. They had recurrent difficulties in acquiring finance for the initiatives that they planned to execute. As a sector, NGOs have traditionally relied on a steady influx of new funds, which is manageable as long as there are enough donors. The study suggested that in order for NGOs to earn credibility with financiers, they need be accountable by implementing adequate financial controls and collaborate with an existing NGO or obtain sponsorship from a well-known organization.

2.2.4 Accountability and Financial Sustainability

The empirical data on the link between accountability and financial sustainability is inconclusive. Agyemang et al. (2019) investigated the links between NGO accountability and humanitarian delivery. The study attempted to identify accountability practices in a sample of Ghanaian non-governmental organizations (NGOs), to distinguish between functional and non-functional accountability measures, and to explain why some were judged functional and others were not. To gather information, the study conducted interviews and focused group discussions. The study discovered that the most efficient NGOs had implemented functional accountability strategies such as involving more stakeholders and communicating effectively with the public. The NGOs abandoned any accountability procedures that failed to provide the desired results.

Edmund (2020) investigated the important elements determining the viability of local non-governmental organizations in Ghana. The study took a case study method, with data collected using questionnaires and structured interviews. The study discovered that local NGOs had a larger view of their sustainability (scope of sustainability), which

included concerns such as leadership, funding availability, and the development and management of need-based and demand-driven programs, in decreasing order of significance. Human resource capability, funding, programme development, management, and material resources were identified as critical variables influencing NGOs' sustainability.

Mbugua (2018) investigated the impact of financial responsibility on the performance of voluntary organisations in Kenya. The study discovered that NGOs that implemented financial rules to ensure financial responsibility in their organizations increased donor support, which led to higher performance. The study also discovered a link between financial performance of NGOs in Kenya and financial accountability. The report advised that all NGOs adopt policies and procedures so that boards and officers understand their fiduciary responsibility to guarantee NGO finances are appropriately managed and the organization's charitable aims are carried out.

2.2.5 Relationship between NGO Regulation and Financial Sustainability

Nuka (2020) investigated the sustainability of NGOs in Kosovo, USA, by assessing the issues of the third sector and potential solutions. To collect data about non-governmental organizations in Kosovo, the study used a survey design and a questionnaire. The research focuses on finance, the legal environment, and public trust. Findings from financing questions suggest that non-governmental organizations face difficulties in seeking donors. These were due not only to their ability to regularly collect cash and recruit donors, but also to other characteristics that played a major part in sustainability, allowing them to attract only international contributors. NGOs were also found to lack assistance from local or institutional governments, making it difficult for them to obtain finance.

The community also did not place enough trust in NGO activities, therefore they were unable to expand their long-term sustainability by soliciting donations. The researched NGOs were found to be lacking in transparency and accountability, necessitating the development of suitable internal governance mechanisms as a critical necessity for financial sustainability.

Mpofu (2021) conducted research on the cultural capital and long-term viability of NGOs' development efforts in Zimbabwe. The study discovered that NGOs' development projects executed in Zimbabwe were unsuccessful because they were established without taking into account the traditions of the people and Zimbabwean regulations. As a result, the NGOs pushed universal development ideas that ignore cultural capital and local legal frameworks, jeopardizing their long-term viability.

2.2.6 Non-government Organization Regulation in Kenya

As of December 2021 (NGO Bureau, 2021), Kenya had 7076 NGOs operating in a variety of sectors such as agriculture, water, education, the environment, health, human rights, gender and development, children's rights, poverty alleviation, peace, population, training, counselling, small-scale enterprises, disability, and many others. These NGOs are governed by the NGO Council, which provides general leadership for the NGO sector. It promotes the fundamental ideals of integrity, openness, accountability, fairness, and good government. It improves its members' self-regulation and helps them achieve their potential for enhancing services that improve Kenyan society's socioeconomic position in the quest of sustainable development (NGO Bureau, 2019).

To ensure accurate findings, NGO regulation will be employed as a moderating variable because the regulatory framework influences the operations of NGOs. The NGO council produces a variety of rules, including finance regulations, financial planning regulations,

financial monitoring regulations, and assessment and control regulations and reporting. NGOs must follow the legal framework or risk being deregistered or punished. While an NGO may seek donor money, it must be reported and the funds' use accounted for (Kristin, 2019).

2.3 Recap of Literature Review

Numerous studies have been conducted on NGOs in light of the sustainability pressures that they face, with stakeholders asking that the groups be financially accountable. The majority of NGOs in Kenya rely on donor money, hence failing to meet the needs of donors and stakeholders will render them financially unsustainable. Furthermore, the climate for non-governmental organisations in Kenya is changing, raising the question of whether the much-needed financial responsibility would lead to their financial viability.

Theoretical review conditions the expected relationship between financial accountability and sustainability, with resource mobilization theory stating that the relationship is dependent on the NGOs' primary source of income. Fraud theory, on the other hand, fails to provide a clear link between financial accountability and sustainability and instead focuses on the reasons why people commit fraud. Furthermore, the empirical research available does not provide solid evidence on the association. Mbugua (2018) conducted the most relevant study, which found a favorable association between NGO financial accountability and performance. However, the performance criteria utilized do not imply that the researched non-governmental organizations were financially viable.

Furthermore, because NGOs are not for-profit organizations, the majority of performance measurements are non-financial in nature. With the knowledge gained from the literature review, this study aims to bridge the existing gap by determining the influence of

financial responsibility on the financial sustainability of Public Governance NGOs in Narok county.

Kamwana and Muturi (2019) examined the impact of financial management on the success of World Bank-funded projects in Kenya, specifically KPLC projects. He used a descriptive research method and collected data through questionnaires. The study variables were financial planning, financial monitoring, financial evaluation, and financial control. The study indicated that financial planning, monitoring, assessment, and controls had a significant impact on project performance (coefficient of determination = 0.89).

He suggested evaluating policies and practices for project performance and using the results to improve approaches. When evaluating project performance tenders, it's important to be open to new and effective methods. The study did not discover the impact of financial management practices on financial sustainability.

Juma (2021) investigated the factors that influence the sustainability of donor-funded community development projects in Bungoma County, Kenya. He utilized a descriptive research design. Independent factors include audit, financial systems, technology, computerized operations, stakeholder engagement, donor policies, and management systems. Dependent Variable: Sustainability The project finance system has a significant impact on project sustainability due to quarterly audits. Adoption of information technology had a significant impact on project sustainability. Accounting systems and records management also contributed to financial sustainability.

The study suggests that project donors contribute appropriate funding to ensure project sustainability. Additionally, personnel in charge of managing and supervising community programs should be trustworthy to prevent corruption and embezzlement.

The study suggests that suitable information systems are necessary for effective data management and storage within organizations. The study examined all donor-funded initiatives but did not assess NGO sustainability levels.

Gitonga, (2024) did a study on determinants Influencing Sustainability Of Orphans Donor Funded Project Of Church Based Organization In Kenya: A Case Of Zoe Ministry. The study found out that a financial resource was vital in attaining sustainability. The extent to which donor policies influence project sustainability in the organization was found to be of very high. Technology adoption was considered to very important to determine. Staff training was found to be important in achieving sustainability.

The study suggested that Zoe Ministry prioritize financial resources, donor policies, and organizational structure to ensure project sustainability. Financial resources, staff training, donor policy, technology adoption, and organizational structure all have an impact on the viability of a church-based Kenyan orphanage project financed by donors. The study suggests that Zoe Ministry should prioritize financial resources, donor policies, and organizational structure to ensure project sustainability. Therefore, we can conclude that financial resources, staff training, donor policy, technology adoption, and organizational structure influence the sustainability of donor-funded orphaned projects in Kenyan church-based organizations. The study only included one organization, which may not be representative of all NGOs in the country.

Edmund (2020) used a case study research design to analyze critical factors influencing the sustainability of local NGOs in the Wassa East and Wassa West Districts of Ghana's Western Region. The study identified various factors that contribute to the sustainability of non-governmental organizations (NGOs), including funding availability, quality

resources, supportive leadership, development of need-based programs, and effective management. Leadership is crucial for the long-term success of local non-governmental organizations in the studied locations. The study suggests that local NGOs can improve their sustainability by implementing measures such as demand-driven project proposals, transparency, accountability, training, and mobilization of local resources. Leadership training is also recommended to strengthen their sustainability.

2.4 Conceptual Framework

Other than financial accountability, many factors influence NGOs' financial sustainability, such as the organization's age, location, personnel quality, operating environment, national and local politics, and the duration of existing policies and regulations governing NGO funding and overall operations (Tooley and Hooks, 2019). Figure 1 depicts the conceptual structure of financial accountability, which includes numerous components such as financial planning, financial monitoring, financial evaluation and control, and financial disclosure. Financial accountability, in turn, affects the organization's financial sustainability, which is evaluated by self-sufficiency and borrowing levels.

NGO laws that have been issued moderate the link between financial accountability and sustainability. The conceptual framework is an updated version of one used by Mbugua (2018), Kamwana and Muturi (2019), and Ganesh et al. (2019).

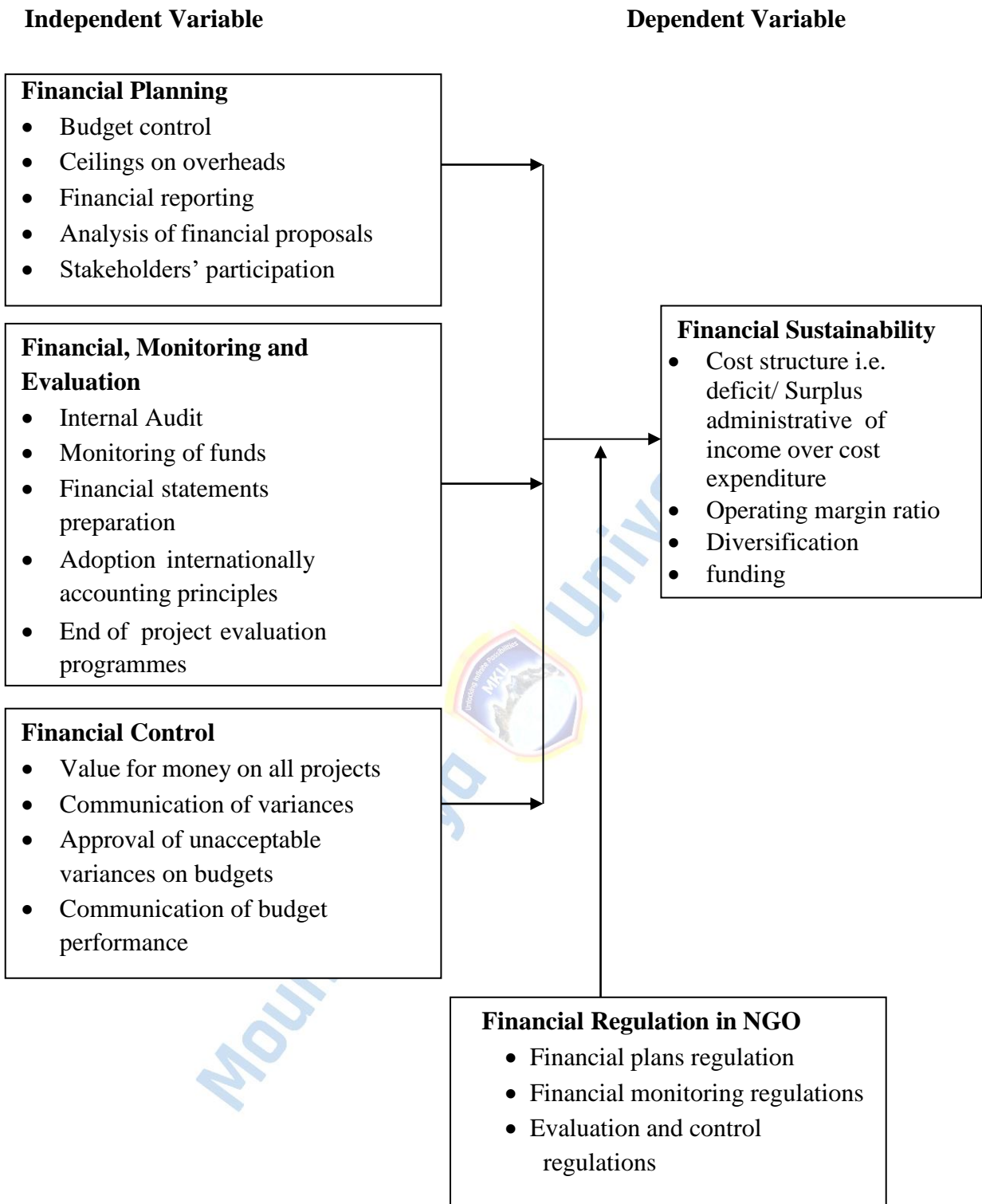


Figure 1: Conceptual Framework

Source: Researcher (2024)

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter describes the research approach that was used in the study. The chapter covers the research concept, design, target population, sampling technique, data collecting, reliability and validity, and data analysis.

3.1 Research Philosophy

The research philosophy used in this study was positivism, as only factual data were collected. The positivist research philosophy seeks facts without respect for individual biases. This decision was influenced by the fact that the study was based on theory and a conceptual model built from hypotheses. This ideology necessitated quantitative data and the associated analytical techniques. This paradigm also includes operationalizing concepts so that they can be measured and collecting huge samples (Saunders et al 2019). The researcher was not affiliated with any non-governmental organizations, thus she was not completely objective when it came to concept operationalization and measurement. This insured that there was a difference between the researcher's subjective biases and the objective reality of the investigation.

3.2 Research Design

The study used a descriptive design. The descriptive design was chosen since it was appropriate for the study because it required data collection in order to answer questions about the current status of the study's subjects. Descriptive design allowed for the collection of data to describe the study variables, as well as data analysis, which allowed for the achievement of study objectives. In addition to the descriptive methodology, the study took a survey approach. Only the sampled NGOs were researched, hence a survey approach was used. Survey design is critical when the population being examined is huge

and it is not feasible to study the entire population (Martz, 2018). To demonstrate the link between accountability and NGO financial sustainability, a correlation research methodology was used.

3.3 Target Population

According to the NGO Council (2024), there were 180 NGOs in Narok County as of December 2024. The study's target population consisted of Narok County's public governance NGOs. Public governance NGOs was researched because of the role they play, and lack of accountability was likely to have a more detrimental impact on the financial viability of NGOs than groups providing fundamental services such as health.

3.4 Sampling Technique

The census sampling technique was utilized for all financial managers from each NGO who were the respondents. These were selected since they have information on financial planning. Therefore, study used a sample size of 180.

3.5 Data Analysis

The acquired data was analyzed using both quantitative and qualitative data analysis techniques. The quantitative method included both descriptive and inferential analyses. Data from the questionnaire was entered and analyzed using the Statistical Package for Social Science (SPSS) Version 23.0. SPSS was used to enter data and calculate variable descriptive statistics, reliability coefficients, correlation coefficients, and multiple regressions.

3.5.1 Regression Model

Multiple regression models were employed to determine the link between financial accountability and sustainability. The multiple regression analysis model was utilized since it allowed for the assessment of various independent variables that explained the

dependent variable. The model also helped determine the relationship between each component of accountability and financial sustainability, providing a basis for policy recommendations on each independent variable.

The relationship between the independent and dependent is as follows:

$$Y_i = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$$

To evaluate the moderating effect of NGO regulation, the extended multiple regression model for the moderating variable is shown in the equation.

$$Y_i = \beta_0 + \beta_1(X_1Z) + \beta_2(X_2Z) + \beta_3(X_3Z) + \varepsilon$$

Where;

Y_i relates to financial sustainability (measured by a five-point Likert scale encompassing NGO deficit, financing diversification, cost structure, and gearing level for multiple regression).

X_1 The Financial Planning derived from the NGO's financial planning methods is measured on a five-point Likert scale.

X_2 is the NGO's financial monitoring and evaluation practices, as assessed on a five-point Likert scale.

X_3 is the NGO's financial control practices, as measured on a five-point Likert scale.

Z The moderating factor is NGO Regulation, which is scored on a five-point Likert scale.

β_0 , β_1 , β_2 , β_3 , and β_4 represent the intercepts of the independent variables.

3.6 Data Collection Instruments

The study relied on primary data acquired through questionnaires. Questionnaires were used since they save time and allowed for the collection of a variety of data. The questionnaires were distributed to the finance managers of the sampled NGOs. The

surveys was based on a five-point Likert scale and organized into parts according to the study's objectives.

3.7 Data Collection Procedure

Primary sources were used to gather data. Primary data was acquired through the use of self-administered questionnaires. The financial managers were the primary respondents because they are best positioned to give the necessary study information on financial accountability.

3.8 Reliability of Data Collection Instruments

Cronbach's alpha was utilized to assess the internal consistency and reliability of the study instruments. Cronbach Alpha values greater than 0.7 are considered appropriate and indicate that the scale is dependable, as indicated by Cronbach (2019). Questions with low Cronbach Alpha from the pilot study were modified or eliminated from the questionnaire.

3.9 Data Validity

Validity means that the instrument is testing as intended. Validity was accomplished by including objective items in the questionnaire and pre-testing the questionnaire prior to data collection. Pre-testing the questions was done by conducting a pilot study with 10% of the respondents and incorporating input into the questionnaire. The respondents for the pilot study were recruited from 18 NGOs in Nakuru County, Kenya.

3.10 Diagnostic Tests for Regression Model

Diagnostic tests was performed to determine whether the study data matched the assumptions of multiple linear regression analysis. This is consistent with the fact that when certain assumptions made by statistical techniques are not followed, the results

may be invalid, resulting in either type I or type II error, or under or overestimation of significance or effect size (Field, 2018).

3.10.1 Testing for Multicollinearity

Multicollinearity is an unfavorable scenario in which the correlations between independent variables are strong, and it distorts the regression findings (Creswell, 2008). To test multicollinearity, the variable inflation factor (VIF) and tolerance statistics was applied. Multicollinearity will be assumed when the VIF Variance inflation factor (VIF) is less than 10 and the tolerance is more than 0.1 (Talavera, 2018). The problem of multicollinearity was avoided by using a high sample size, as multicollinearity is not known to exist in large samples. Multicollinearity was also eliminated by removing one of the highly linked variables (Martz, 2018).

3.10.2 Normality Test

Regression analysis presupposes that the study data follows a normal distribution. This was determined using skewness and kurtosis statistics. A kurtosis and skewness value of more than +/-2 suggested that the data was not regularly distributed. This was solved by standardizing the variable using the logarithm of ten (Martz, 2018).

3.10.3 Heteroscedasticity

The Breusch-Pagan/Cook-Weisberg test was employed in this investigation to determine heteroscedasticity. The Breusch-Pagan/Cook-Weisberg test was to test most commonly used approach for finding heteroscedasticity in linear models. The Breusch-Pagan/Cook-Weisberg test compares the null hypothesis that all error variances are equal to the alternative hypothesis that the error variances are a multiplicative function of at least one variable. A greater chi-square value than 9.21 (Martz, 2018) indicates the presence of heteroscedasticity.

3.11 Ethical Considerations

The researcher first obtained the necessary approvals from Mount Kenya University and secure a research permit from the National Commission for Science, Technology and Innovation (NACOSTI) under the Ministry of Education in Kenya to carry out the study. During the data collection, analysis, and publication phases, the researcher adhered strictly to principles of confidentiality and anonymity. Additionally, a formal letter was prepared to request permission from the NGO county administration to involve their staff as study participants. Throughout the research process, the researcher maintained the highest standards of ethics, including honesty, transparency, and confidentiality. Informed consent was issued to all the participants before the data collection commences. The researcher also got clearance from Mount Kenya University Ethical review committee.



CHAPTER FOUR

DATA ANALYSIS, INTERPRETATIONS AND DISCUSSIONS

4.0 Introduction

The study intended to establish the impact of accountability on the financial viability of NGOs in Narok County. This chapter summarizes the research findings by focusing on respondent demographics and data analysis based on the study's unique objectives. It also discusses the inferential, correlation, and regression analyses before concluding with a summary of the main findings.

4.1 Response Rate

A total of 180 respondents, who were finance managers of NGOs in Narok County, made up the study's target sample. Table 1 indicates that 163 of the 180 surveys that were distributed were properly completed and returned, yielding a 91 percent response rate. This response rate was deemed sufficient for the study's objectives and to allow for the generalization of the findings.

Table 1: Response Rate

Feedback	Occurrence	Percentage
Responded	163	91 %
Not Responded	17	9 %
Total	180	100 percent

Source: Researcher, 2024

4.2 Reliability Analysis

A pilot study including 10% of the respondents was conducted to assess the reliability of the data gathering tool. The research instruments' internal consistency was assessed using Cronbach's alpha. This was done in order to determine the relationships between sets of variables within the group. The outcomes are displayed in Table 2.

Table 2: Reliability Analysis

Variable	Cronbach's Alpha	No of Items	Decision
Financial Planning Practices	0.734	8	Cronbach Alpha>0.7, acceptable
Financial Monitoring And Evaluation Practices	0.756	7	Cronbach Alpha>0.7, acceptable
Financial Control Practices	0.722	4	Cronbach Alpha>0.7, acceptable
Regulatory Framework of NGO	0.716	4	Cronbach Alpha>0.7, acceptable
Financial Sustainability	0.734	4	Cronbach Alpha>0.7, acceptable

Source: Researcher, (2024)

Table 2 shows that financial planning practices had a Cronbach's alpha of 0.734, financial monitoring and evaluation had a Cronbach's alpha of 0.756, financial control had a Cronbach's alpha of 0.722, the NGO regulatory framework had a Cronbach's alpha of 0.716, and financial sustainability had a Cronbach's alpha of 0.734. This means that all of the variables had Cronbach Alpha values more than 0.7, demonstrating that the research instruments were dependable for carrying out the study.

4.3 Years of service at the NGO

This section tried to identify how long the respondents had worked for the NGOs. This was used to assess their level of understanding of the organization's activities. Table 3. displays the results obtained.

Table 3: Years of service at the NGO

Years in NGO	Occurrence	Percentage
Below 2 years	19	10
2 – 5 years	35	20
5 – 10 years	63	35
More than 10 years	63	35
Total	180	100

Source: Researcher, 2024

According to the findings in Table 3, 35% of respondents had worked in the organizations for 5-10 years, 35% for more than 10 years, 20% for 2-5 years, and 10% for less than 2 years. This implied that the respondents had worked in their respective businesses for a significant period of time and were well-versed in the firms' operations.

4.4 Study Variables Description

The study's independent variables included financial planning, financial monitoring and evaluation, and financial control, whereas the dependent variable was NGO financial sustainability. The factors were measured using several components and quantified using a five-point Likert scale.

4.4.1 Financial Planning

The study attempted to examine the extent to which certain financial planning strategies were adopted in businesses. Their responses were rated using a likert scale of 1 to 5, with 1 representing no extent, 2 representing a minor extent, 3 representing a moderate extent, 4 representing a big extent, and 5 representing an extremely great extent. The findings are presented in Table 4.

Table 4: Financial Planning

Financial Planning	NE	SE	ME	LE	VLE	Mean	Std. Dev
	%	%	%	%	%		
Annual budgets are prepared by the NGO to guide spending.	0	2.6	18.2	58.4	20.8	3.97	0.70
Regularly compare actual and budgeted figures and take any corrective action.	2.6	10.4	24.7	40.3	22.1	3.69	1.01
Expenditure outside the budget requires directors' permission and full justification.	6.5	10.4	36.4	22.1	24.7	3.48	1.16
The ceiling for administration and overhead expenses is determined by the expected funding.	7.8	9.1	24.7	32.5	26	3.6	1.19
Stakeholders receive comprehensive and accurate financial planning reports.	20.8	7.8	14.3	28.6	28.6	3.36	1.49
Professional advisers provide help to management during financial planning.	3.9	14.3	18.2	37.7	26	3.68	1.12
Financial proposals undergo thorough analysis and debate among stakeholders before being authorized and executed.	14.3	19.5	19.5	23.4	23.4	3.22	1.38
Stakeholders in the organization participate in the budget process.	10.4	24.7	13	36.4	15.6	3.22	1.27

Where LE stands for large extent, VLE for very large extent, ME for moderate extent, SE for small extent, and NE for no extent.

Source: Researcher, (2024)

Table 4 revealed that NGO budgets were prepared on an annual basis to steer spending to a great extent (mean of 3.97 and standard deviation of 0.70). This meant that most non-

governmental organizations (NGOs) have adopted budgeting as a financial planning tool. The standard deviation was minimal, indicating that respondents agreed on budget adoption to a considerable extent. This pertains to Mpofo (2022), who investigated the cultural capital and sustainability of NGOs' development programs in Zimbabwe and discovered that a proper budget plan gives a framework for expenditure.

The actual and budget were regularly compared, and corrective action was mostly implemented (mean of 3.69 and standard deviation of 1.01). Therefore, as a financial planning tool, the majority of NGOs were comparing the actual and budget to a great extent. The standard deviation showed how the replies varied. Similarly, Tooley and Hooks (2019) identified the significance of the focus on public accountability and perceived utility on the regular comparison of actual budgets after analyzing the annual report of 37 Queensland schools.

The mean and standard deviation for expenditures that are outside the budget and need the directors' permission and detailed justification were 3.48 and 1.16, respectively. This suggested that a moderate amount of spending exceeding budgets was being approved. The results also showed that, on average, the amount spent on administration and overheads had a ceiling that was set in relation to the anticipated funds (mean of 3.6 and standard deviation 1.19). On the other hand, Ernest (2022) discovered that lengthy approvals during budgeting reduced the process's overall efficacy while doing research on the organizational elements influencing the sustainability of local non-governmental organizations in Ghana.

To a considerable extent, most NGOs provided thorough and accurate financial planning reporting to stakeholders, with a mean of 3.36 and standard deviation of 1.49. This emphasized that while reporting was generally accurate, it was not always. Management takes counsel and direction from expert advisors during financial planning, with a mean

of 3.68 and a standard deviation of 1.12. This implied that, to a significant extent, NGOs' management sought budget advice.

Financial proposals are vigorously analyzed and debated by all stakeholders before they are approved and implemented, with a mean of 3.22 and a standard deviation of 1.38, implying that financial proposals were being debated to a moderate extent. Stakeholders of the organization participating in the budgetary process had a mean of 3.22 and a standard deviation of 1.27, implying that stakeholders of organizations participated in the budgetary process to a moderate extent, which agrees with Lambert (2021).

The data indicated that most financial planning strategies had not been fully embraced by NGOs. Notably, only budget planning had a high level of acceptance, while the others had moderate levels of adoption, with stakeholder participation having the lowest level. Financial plans help businesses define necessary tasks and projected work time to meet research objectives. Thus, they ought to be carefully developed and implemented in order to improve the financial operations of an organization.

4.4.2 Financial Monitoring and Evaluation

The study aimed to investigate the extent to which various financial monitoring and evaluation tools are used in businesses. Their responses were rated using a likert scale of 1 to 5, with 1 representing no extent, 2 representing a minor extent, 3 representing a moderate extent, 4 representing a big extent, and 5 representing an extremely great extent. The findings are reported in Table.5.

Table 5: Financial Monitoring and Evaluation

Financial Monitoring and Evaluation	NE	SE	ME	LE	VLE	Mean	Std. Dev
	%	%	%	%	%		
There is a fully functioning internal finance Monitoring department, including internal audit.	1.3	1.3	28.6	51.9	16.9	3.82	0.773
Monitoring department, including internal audit.							
NGO expenditure is closely reviewed to ensure alignment with budget and planned use	9.1	16.9	24.7	32.5	16.9	3.31	1.206
Financial transactions are documented instantly.	11.7	11.7	27.3	35.1	14.3	3.29	1.202
occur to facilitate financial monitoring.							
Financial and management reports are prompt and reliable.	19.5	10.4	23.4	29.9	16.9	3.14	1.364
Financial statements and reports are created and presented using internationally recognized accounting rules and practices.	11.7	20.8	20.8	28.6	18.2	3.21	1.291
Evaluation programs are undertaken at completion	13	14.3	18.2	35.1	19.5	3.34	1.304
range of projects							
The outcomes of monitoring and evaluation operations are communicated with the stakeholders	16.9	20.8	13	28.6	20.8	3.16	1.415

Where LE stands for large extent, VLE for very large extent, ME for moderate extent, SE for small extent, and NE for no extent.

Source: Researcher, 2024

As indicated in table.5, there is a fully operational internal financial monitoring department, which includes internal audit, with a mean of 3.82 and a standard deviation of 0.773. To a significant extent, the NGOs had a functional financial control division. NGO expenditure is regularly reviewed in respect to the budget, and the planned use of NGO money has a mean of 3.31 and a standard deviation of 1.206.

The findings suggested that, to a moderate level, NGOs' expenditures were regularly checked. The standard deviation was more than one, indicating that respondents disagreed more on monitoring NGO expenditures. This is consistent with Mbuva (2024), who conducted an analysis into the factors influencing the financial viability of women-owned SMEs in Kenya's Machakos County and discovered that the majority of NGOs' expenditures were minimally regulated.

To a moderate extent, NGOs' financial transactions were documented immediately to aid in financial monitoring (mean of 3.29 and standard deviation of 1.202). This implied that some NGOs did not record financial data in real time, which is a severe concern. In a similar vein, Edmund (2020) investigated the important determinants determining the sustainability of local NGOs in Ghana and discovered very low levels of financial monitoring among the NGOs, resulting in poor performance for the majority of them.

Financial statements and management reports were timely and dependable to a moderate extent (mean 3.14, standard deviation 1.364). This implied that the non-governmental organizations had not fully adopted the practice. Financial statements and reports were also created and presented in a modest manner using internationally accepted accounting principles and practices, with a mean of 3.21 and a standard deviation of 1.291. This suggested that some NGOs were not complying with international reporting norms.

To a moderate extent, evaluation programmes are carried out at project completion (mean of 3.34 and standard deviation of 1.304). The findings revealed that some NGOs did not evaluate their programmes on all projects, raising concerns about NGO resource management. Monitoring and evaluation exercises disclosed to stakeholders had the lowest mean of 3.16 and standard deviation of 1.415, indicating that the practice was widely implemented. Mbugua (2023) investigated the effects of financial accountability on the functioning of nongovernmental organizations in Kenya and discovered that the majority of NGOs lacked appropriate monitoring and evaluation techniques.

This means that Financial Monitoring and Evaluation procedures in NGOs were moderately adopted, with functioning internal financial monitoring departments having the highest level of acceptance. Lack of transparency in financial practices has been identified as a result of inadequate monitoring and evaluation, which does not sit well with most stakeholders such as donors, the government, and even beneficiaries, all of which have an impact on NGOs' revenue streams and thus financial sustainability (Odhiambo, 2023).

4.4.3 Financial Control

The study attempted to examine the extent to which certain financial control procedures were implemented in businesses. Their responses were rated using a likert scale of 1 to 5, with 1 representing no extent, 2 representing a minor extent, 3 representing a moderate extent, 4 representing a big extent, and 5 representing an extremely great extent. The findings are presented in Table 6.

Table 6: Financial Control

Financial Control	NE	SE	ME	LE	VLE	Mean	Std. Dev
	%	%	%	%	%		
Value for money is determined for all projects.	2.6	1.3	35.1	44.2	16.9	3.71	0.856
Budget variances are communicated to stakeholders annually, with complete reason acquired.	3.9	15.6	19.5	35.1	26	3.64	1.146
To address problematic budget variations, management must seek consent from stakeholders.	6.5	18.2	27.3	31.2	16.9	3.34	1.154
Budget performance reports are distributed to donors and financiers.	7.8	19.5	15.6	28.6	28.6	3.51	1.304

Where LE stands for large extent, VLE for very large extent, ME for moderate extent, SE for small extent, and NE for no extent.

Source: Researcher, (2024)

As indicated in Table 6, value for money is calculated for all projects with a mean of 3.71 and a standard deviation of 0.856. The findings implied that the approach had been widely embraced, and that most NGOs were considering value for money in programs.

Budget variances are notified to stakeholders on a yearly basis, and the full rationale collected had a mean of 3.64 and a standard deviation of 1.146, showing that this procedure is widely adopted. Budget variations are unacceptable, and management must obtain clearance from stakeholders. The mean is 3.34, with a standard deviation of 1.154. This implied a moderate acceptance of the practice of communicating unwanted limits. Budget performance reports are provided to donors and other financiers, with a mean of

3.51 and a standard deviation of 1.304, indicating widespread acceptance of the practice. This implied that most NGOs communicated their budget performance.

The sustainability of orphans donor-funded projects of church-based organizations in Kenya was also examined by Gitonga (2024), who found that good budget performance communication was crucial to the NGOs' overall viability. This was demonstrated in the example of Zoe Ministry.

The findings show that financial control measures in NGOs were moderately adopted, with value for money being determined on all projects being the most widely implemented and budget performance reports being given to donors and other financiers being the least.

4.4.4 NGO Regulatory Framework

The study sought to determine how the NGO structure relates to various financial components of the organization. Their responses were rated using a likert scale of 1 to 5, with 1 representing no extent, 2 representing a minor extent, 3 representing a moderate extent, 4 representing a big extent, and 5 representing an extremely great extent. The findings are presented in Table 7.

Table 7: NGO Regulatory Framework

NGO Regulation	NE %	SE %	ME %	LE %	VLE %	Mean	Std. Dev
NGO regulation affects the amount of funding available to non-governmental organizations.	0	6.5	28.6	41.6	23.4	3.82	0.869
NGO finance plans are impacted by the regulatory framework.	1.3	24.7	20.8	37.7	15.6	3.42	1.068
NGO regulations impact financial monitoring	6.5	24.7	14.3	31.2	23.4	3.4	1.27
The regulatory framework for non-governmental organizations impacts their evaluation and control processes.	13	15.6	9.1	39	23.4	3.44	1.352

Where LE stands for large extent, VLE for very large extent, ME for moderate extent, SE for small extent, and NE for no extent.

Source: Researcher, (2024)

Table 7 shows the effects of the NGO regulatory framework; replies reveal that NGO regulation has a significant impact on the quantity of funding accessible to NGOs. NGO financial strategies were significantly influenced by the NGO regulatory framework (mean of 3.42 and standard deviation of 1.068). Furthermore, NGO rules had a minor impact on financial monitoring procedures used by NGOs, with a mean of 3.4 and a standard deviation of 1.27. NGO regulatory framework had a moderate impact on assessment and control practices at NGOs, with a mean of 3.44 and a standard deviation of 1.352.

However, Ayom (2023), while studying internal controls and performance in NGOs in South Sudan, discovered that there were inadequate structures in place to oversee the monitoring of financial activities.

According to the data, NGOs were either significantly or moderately influenced by the regulatory system. This implied that NGO regulation had a substantial impact on the financial practices used by NGOs. This implies that NGO legislation impacting the amount of funding available to NGOs was the least implemented, while the remainder had reasonable levels of implementation. Lambert (2021) found that limiting the amount of credit accessible restricts other financial behaviors.

4.4.5 Financial Sustainability of NGO

The study intended to determine how various criteria of financial sustainability affected their particular NGOs. Their responses were rated using a likert scale of 1 to 5, with 1 representing no extent, 2 representing a minor extent, 3 representing a moderate extent, 4 representing a big extent, and 5 representing an extremely great extent. The results are reported in Table 8.

Table 8: Financial Sustainability of NGO

Financial Sustainability	NE	SE	ME	LE	VLE	Mean	Std. Dev
	%	%	%	%	%		
Annual income and expenditure statements for non-governmental organizations always has surplus	0	3.9	37.7	48.1	10.4	3.65	0.721
NGO funding is diverse, with donors contributing no more than 40% of total support.	5.2	23.4	15.6	36.4	19.5	3.42	1.196
The organization has a lower percentage of fixed costs compared to the entire cost	9.1	26	24.7	24.7	15.6	3.12	1.224
The organization has a favorable operational margin ratio.	9.1	18.2	29.9	15.6	27.3	3.34	1.304

Where LE stands for large extent, VLE for very large extent, ME for moderate extent, SE for small extent, and NE for no extent.

Source: Researcher, 2024

According to the statistics in table 8, the NGO annual statement of income and expenditure is almost always in surplus, with a mean of 3.65 and a standard deviation of 0.721. NGO funding was moderately diverse, with donor support not exceeding 40% of organization funding, with a mean of 3.42 and a standard deviation of 1.196. Also, the organization has a lower percentage of fixed costs relative to overall costs, with a mean of 3.12 and a standard deviation of 1.224.

To a moderate level, average debt did not surpass 40% of total assets, with a mean of 3.34 and a standard deviation of 1.304. This demonstrates that the organization with the lowest percentage of fixed costs relative to total costs was the least implemented. According to the findings, the majority of the NGOs were just moderately sustainable, meaning that they were not particularly sustainable. This is consistent with Obo's (2009) finding that most NGOs have a low level of sustainability. On the sustainability of NGOs, the data, as shown in Table 10, demonstrate that 56.1 percent of respondents believe their organizations are sustainable, whereas 43.9 percent believe they are not. This demonstrates that the majority of NGOs are viable.

Table 9: Sustainability of NGO

status	Occurrence	Percentage
Not Sustainable	79	43.9
Sustainable	111	56.1
Total	180	100

Source: Researcher, 2024

4.6 Diagnostic Tests

4.6.1 Multicollinearity Test

The regression model was tested for multicollinearity to avoid drawing inaccurate inferences about the relationship between the dependant and predictor variables. The

Variance Inflation Factor (VIF) and tolerance degree were utilized to determine the presence of a multicollinearity test. Table 10 presents the findings collected.

Table 10: Multicollinearity Test

Variable	Tolerance	VIF
Financial Planning	0.667	1.511
Financial Monitoring and Evaluation	0.54	2.262
Financial Control	0.521	1.945
Regulatory Framework	0.592	1.707

Source: Researcher, 2024

Table 10 shows that financial planning had a tolerance of 0.667 and VIF of 1.511, financial monitoring and evaluation tolerance of 0.54 and VIF of 2.262, financial control 0.521 and VIF 1.945, and regulatory framework tolerance of 0.592 and VIF of 1.707. Multicollinearity arises when the tolerance is less than 0.1 and the VIF exceeds 10. However, for all variables, the measures were within an acceptable range, hence the problem of multicollinearity did not arise.

4.6.2 Normality Test

Multiple regression analysis demands that the study variables be regularly distributed. Table 11 presents the findings from the Normality Test.

Table 11: Normality Test

	Skewness	Kurtosis
Sustainability	-0.34	-1.895
Financial Planning	0.857	-0.26
Financial Monitoring and Evaluation	0.486	0.38
Regulatory Framework	0.271	-1.081
Financial Control	-0.003	-0.365
Financial Sustainability	0.002	-0.549

Source: Researcher, 2024

Sustainability has a skewness of -0.34 and a kurtosis of -1.895. Financial planning has a skewness of 0.857 and a kurtosis of -0.26. Financial monitoring and evaluation had a skewness of 0.486 and kurtosis of 0.38. The regulatory framework exhibited a skewness of 0.271 and a kurtosis of -1.081. Financial control had a skewness of -0.003 and kurtosis of -0.365. Financial sustainability had a skewness of 0.002 and kurtosis of -0.549. All of the variables were acceptable because their Skewness statistics were between +/-2 and +/-2.

Furthermore, the kurtosis values were all close to 0, +2, or -2, indicating that the data was distributed near the corresponding means and so normal. This indicated that the data was eligible for regression and correlation analysis.

4.6.3 Heteroscedasticity Test

Heteroscedasticity occurs when the variance of errors changes between observations. To test for heteroscedasticity, this study used the Breusch-Pagan/Cook-Weisberg method. Table 12 presents the findings collected.

Table 12: Heteroscedasticity Test

H0	Chi2 (4)	Prop>Chi2
Constant variance	0.281	0.672

Source: Researcher, 2024

The study achieved a chi square of 0.281 and a p-value of 0.672, which is greater than 0.05. This meant that at 95 percent confidence, the null hypothesis of homoscedasticity was accepted. Thus, heteroscedasticity was not an issue, and the data was suitable for study.

4.7 Inferential Analysis

The study aimed to determine the underlying relationships between variables and the extent to which the independent variables influenced the dependent variables. Correlation and multiple regression analysis were utilized to accomplish this goal.

4.7.1 Correlation Analysis

Correlation analysis determines the relationship between two or more sets of variables.

Table 13 shows the link between the various sets of variables that were gathered.

Table 13: Correlation Analysis

		Financial Sustainability	Financial Planning	Financial Monitoring and Evaluation	Financial Control	Regulatory Framework
Financial Planning	Pearson Correlation	.448**	1			
	Sig. (2-tailed)	0.000				
Financial Monitoring and Evaluation	Pearson Correlation	.587**	.586**	1		
	Sig. (2-tailed)	0.000	0.000			
Financial Control	Pearson Correlation	.695**	.483**	.683**	1	
	Sig. (2-tailed)	0.000	0.000	0.000		
Regulatory Framework	Pearson Correlation	.515**	.529**	.568**	.575**	1
	Sig. (2-tailed)	0.000	0.000	0.000	0.000	
	N	180	180	180	180	180

** . Correlation is significant at the 0.01 level (2-tailed)

Source: Researcher, 2017

Table 13 shows that the Pearson Correlation between financial planning and financial sustainability is 0.448 with a p-value of 0.000. The positive coefficient indicated that financial planning improved the financial sustainability of non-governmental

organisations (NGOs). Financial planning had a substantial favorable effect (95% confidence level, $p\text{-value} < 0.05$).

As a result, an NGO that implements effective financial planning procedures will considerably increase financial sustainability. These findings are comparable to those of Juma (2022), who investigated the factors influencing the sustainability of donor-funded community development projects in Bungoma County and concluded that donor policy had a significant impact on project sustainability. Ayom (2023), and discovered that financial planning techniques improved NGO sustainability.

The Pearson coefficient of correlation between financial monitoring and evaluation and financial sustainability was 0.587, with a $p\text{-value}$ of 0.000. The positive coefficient indicated that financial monitoring and evaluation improved the sustainability of non-governmental organizations (NGOs). Financial monitoring and assessment had a substantial favorable effect ($p\text{-value} < 0.05$, 95% confidence level). As a result, an NGO that implements effective financial monitoring and assessment techniques will considerably increase financial sustainability.

The Pearson coefficient of correlation between financial control and financial sustainability was 0.695, with a $p\text{-value}$ of 0.000. The positive coefficient indicated that financial monitoring and evaluation had a favorable impact on the sustainability of NGOs. Financial control had a substantial favorable effect at the 95% confidence level ($p\text{-value} < 0.05$). As a result, an NGO that implements proper financial control techniques will considerably increase financial sustainability.

The Pearson's coefficient of connection between the regulatory framework and the sustainability of non-governmental organizations was 0.515, with a $p\text{-value}$ of 0.000. The positive coefficient indicated that the regulatory framework improved the sustainability

of non-governmental organisations (NGOs). The regulatory framework had a significant positive effect (95% confidence level, p-value < 0.05). As a result, an NGO that implements effective financial control techniques will greatly increase financial sustainability.

Notably, each of the accountability metrics investigated individually had an impact on the sustainability of an NGO. Thus, increasing these variables would lead to increased financial sustainability at NGOs. The effect was significant at the 95 percent confidence level, with a p-value < 0.05. The correlations between the independent variables were utilized to demonstrate the relationship between them and prove the absence of multicollinearity. The independent variables were not substantially correlated, so multicollinearity was not a concern.

4.7.2 Multiple Regression Analysis

The study aimed to determine the impact of accountability on the financial viability of NGOs. A multiple regression model was used to investigate the association between Financial Control, Financial Planning, Financial Monitoring, and Evaluation (predictor variables) and Financial Sustainability (dependent variable). Table 14 shows the regression model summary.

Table 14: Model Summary

R	R Square	Adjusted R Square	1. Error of the Estimate
.708a	0.513	0.463	0.4828

a. Predictors: (Constant), Financial Control, Financial Planning, Financial Monitoring and Evaluation

Source: Researcher, 2024

The coefficient of correlation in Table 15 was 0.708, demonstrating that accountability has a favorable impact on financial sustainability. Thus, NGOs that include accountability measures into their operations will increase their financial sustainability. The coefficient of determination (Adjusted R²) was 0.463, indicating that the regression could explain up to 46.23% of the variation in financial sustainability. The remaining percentage of variation could be attributed to predictors not included in the model, such as the NGO's financing source, management, and special NGO features.

The findings were consistent with those of Kamwana and Muturi (2024), who discovered that financial planning, financial monitoring, financial evaluation, and financial controls (certain forms of accountability) contributed to project performance. Kakumani and Prabhakar (2021) discovered that the accounting process provided the most leverage for planning, assessing, and boosting the overall sustainability of a development aid organization.

Table 15 shows the results of the model test of fitness, which indicate the model's trustworthiness in projecting financial sustainability.

Table 15: ANOVA Analysis

	Sum of Squares	Df	Mean Square	F	Sig.
Regression	17.312	3	6.151	24.646	.000a
Residual	16.188	176	0.259		
Total	34.500	179			

a. Predictors: (Constant), Financial Control, Financial Planning , Financial Monitoring and Evaluation

b. Dependent Variable: Financial Sustainability

Source: Researcher, 2024

The model fitness result shows an F-statistic of $24.646 > 2.592$ and a p-value of $0.000 < 0.05$. This means that the model is fit for prediction at a 95% confidence level. Thus, accountability has a substantial impact on financial accountability in non-governmental organizations (NGOs). The findings were consistent with those of Odhiambo (2023), who discovered that NGOs were expected to keep a minimal set of financial statements, such as statement of comprehensive income, statements of financial condition, and cash flow statements.

Furthermore, Mbugua (2023) discovered that NGOs that used financial standards to ensure financial responsibility in their organizations increased donor support, which led to higher performance. The study also found a link between financial performance of NGOs in Kenya and financial accountability. Karanja and Karuti (2020) stated that funding for NGOs was a barrier, and that government regulations impeded the smooth operation of NGOs.

Table 16 displays the study multiple regression model coefficients that might be used for prediction.

Table 16: Model Coefficients

	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	T	Sig.
(Constant)	0.234	0.337		0.656	0.522
Financial Planning	0.281	0.12	0.375	2.6545	0.031
Financial Monitoring and Evaluation	0.297	0.13	0.364	2.3817	0.025
Financial Control	0.474	0.106	0.501	4.5190	0.000

a. *Dependent Variable: Financial Sustainability*

Source: Researcher, 2024

According to Table 16 , the results suggest that Financial Planning has a coefficient of 0.281. The positive coefficient suggests that Financial Planning has a favorable impact on financial sustainability. The variable has a p-value of 0.031, which means it was significant at the 95% confidence level because it was less than 0.05. Thus, financial planning has a substantial impact on the sustainability of non-governmental organisations (NGOs).

Financial Monitoring and Evaluation had a coefficient of 0.297. The positive correlation indicates that Financial Monitoring and Evaluation has a favorable effect on financial sustainability. The variable had a p-value of 0.025, which means it was not statistically significant at the 95% confidence level because it was less than 0.05. As a result, increased financial monitoring procedures will considerably improve the financial sustainability of non-governmental organizations. Financial Control has a coefficient of 0.474. The positive correlation indicates that Financial Control has a favorable effect on financial sustainability. The variable had a p-value of 0.0, which indicates that it was significant at the 95% confidence level because it was less than 0.05.

This indicates that all accountability variables, specifically financial planning, financial monitoring, and financial monitoring and assessment, have a positive and significant impact on financial sustainability. As a result, an increase in these independent variables will result in a large increase in the financial sustainability level of non-governmental organizations. The findings were consistent with those of Nturibi (2019), who believes that for an NGO to be sustainable, dependable financial systems are required to support accountability and cash flow estimates. The model coefficients table was used to fit the following regression model:

$$Y_i = 0.234 + 0.281 X_1 + 0.297X_2 + 0.474X_3$$

Y_i stands for financial sustainability, X_1 for financial planning, X_2 for financial monitoring and evaluation, and X_3 for financial control procedures.

4.7.3 Moderating Effect of NGO Regulatory Framework

The study intended to identify the moderated effect caused by the moderating variable, which was the Regulatory Framework. A comparison regression model was then run, with the predictors being Financial Control, Financial Planning, Financial Monitoring and Evaluation, and Regulatory Framework, and the dependent variable being Financial Sustainability. Table 17 shows a summary of the regression models.

Table 17: Moderated effect Model Summary

Model	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change
1.708a	0.501	0.473	0.48828	0.504	24.546	3	176	0.000
2.715b	0.511	0.473	0.48815	0.008	1.027	1	175	0.322

a. Predictors: (Constant), Financial Control, Financial Planning, Financial Monitoring and Evaluation

b. Predictors: (Constant), Financial Control, Financial Planning, Financial Monitoring and Evaluation, Regulatory Framework

Source: Researcher, 2024

According to Table 17, the coefficient of correlation is 0.715, indicating that accountability has a positive effect on financial sustainability. The moderating variable's coefficient of determination (Adjusted R² Square) was 0.473, indicating that the regression could account for up to 47.3% of the variation in financial sustainability. The remainder Other predictors not included in the model could account for 42.7 percent of the variation. This implies that incorporating the Regulatory Framework has a minimal impact on the relationship between accountability and financial sustainability, as it only

increases the influence by 0.7%. compared to these findings, Kamwana and Muturi (2024) discovered that financial monitoring and evaluation improved project performance. Contrary to these findings, Gitonga (2021) discovered that a financial resource was essential for achieving sustainability.

Table 18 shows the results of the model test of fitness, which indicate the model's trustworthiness in projecting financial sustainability.

Table 18: Moderated ANOVA Analysis

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	17.424	3	6.131	24.536	.000a
	Residual	18.196	173	0.259		
	Total	35.620	176			
2	Regression	18.683	4	4.571	18.646	.000b
	Residual	17.937	175	0.269		
	Total	36.620	179			

- a. Predictors: (Constant), Financial Control, Financial Planning , Financial Monitoring and Evaluation
- b. Predictors: (Constant), Financial Control, Financial Planning , Financial Monitoring and Evaluation, Regulatory Framework
- c. Dependent Variable: Financial Sustainability

Source: Researcher, 2024

The Regulatory Framework has a considerable impact on the financial sustainability of NGOs, as evidenced by an F-statistic of 18.646 and a p-value of $0.000 < 0.05$.

The multiple regression model coefficients for the moderated regression equation are shown in Table 19.

Table 19: Model Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	T	Sig.
1(Constant)	0.234	0.357		0.646	0.53
Financial Planning	0.291	0.11	0.385	2.645	0.408
Financial Monitoring and Evaluation	0.287	0.12	0.374	2.392	0.122
Financial Control	0.464	0.105	0.511	4.419	0
2 (Constant)	0.166	0.352		0.473	0.638
Financial Planning	0.169	0.114	0.174	1.482	0.059
Financial Monitoring and Evaluation	0.266	0.121	0.293	2.198	0.018
Financial Control	0.434	0.109	0.477	3.976	0.000
Regulatory Framework	0.098	0.096	0.11	1.018	0.312

a. Dependent Variable: Financial Sustainability

Source: Researcher, 2024

The data in Table 19 reveal that, even with the moderated effect of NGO rules, all of the independent variables, namely financial planning, financial monitoring and evaluation, and financial control, have a significant positive impact on financial sustainability. This suggests that implementing the Regulatory Framework has a minor but considerable impact on the link between accountability and financial sustainability.

This shows that the Regulatory Framework does have an influence on how the NGOs financial sustainability was impacted by the various accountability measures. As such adopting appropriate policies will ensure that the NGOs not only formulate but also implement the most efficient accountability practices (Odhiambo, 2023).

4.8 Discussion of Research Findings

The study aimed to investigate the impact of financial planning on the financial sustainability of NGOs in Narok County. Only budget planning was found to have a high level of acceptance, while the others had moderate levels of adoption, with stakeholder participation having the lowest level. This suggests that financial planning methods were relatively low among NGOs. Financial planning had a Pearson Correlation of 0.448 and a p-value of 0.0, demonstrating a significant positive link with financial sustainability.

According to the regression study, Financial Planning has a coefficient of 0.291, indicating that it has a favorable impact on financial sustainability. This pertains to Juma (2022), who investigated the factors influencing the sustainability of donor-funded community development initiatives in Bungoma County and discovered the significance of financial planning in guaranteeing an organization's financial sustainability.

The study aimed to determine how financial monitoring and evaluation affect the financial sustainability of NGOs in Narok County. Financial monitoring and evaluation techniques in non-governmental organizations were found to be moderately adopted, with the functional internal financial monitoring department having the highest level of acceptance. Financial Monitoring and Evaluation had a Pearson's correlation of 0.597 and a p-value of 0.0, demonstrating a strong positive link with financial sustainability. According to the regression study, Financial Monitoring and Evaluation had a coefficient of 0.187, indicating that it has a positive impact on financial sustainability.

This is consistent with Kamwana and Muturi (2014), who investigated the impact of financial management on the performance of World Bank-funded projects in Kenya. The study discovered that financial monitoring and evaluation improved project performance.

The study also sought to determine the impact of financial regulations on the financial

viability of NGOs in Narok County. The findings show that financial control measures in NGOs were moderately adopted, with value for money being determined on all projects being the most widely implemented and budget performance reports being given to donors and other financiers being the least. Financial control had a Pearson's coefficient of correlation of 0.695 and a p-value of 0.0, showing a strong positive link with financial sustainability.

According to the regression analysis, Financial Control had a coefficient of 0.464, indicating that it has a positive impact on financial sustainability, which is consistent with Mbuva's (2021) research into the factors influencing the financial sustainability of women-owned SMEs in Machakos County, Kenya.

On the moderating role of NGO regulation on the relationship between accountability and financial sustainability. The results show that NGO legislation impacting the amount of funding available to NGOs was the least implemented, while the remainder were moderately adopted. The Pearson coefficient of correlation for the Regulatory Framework was 0.515, indicating a substantial positive link with financial sustainability. Based on the comparison regression model, it was revealed that adopting the Regulatory Framework has a minor impact on the relationship that exists between accountability and financial sustainability, strengthening the influence achieved by only 0.7 percent.

This demonstrates that the Regulatory Framework has an impact on how the various accountability mechanisms affect the financial sustainability of non-governmental organisations. In this context, NGOs must create multiple internal accountability systems in addition to the responsibility levels required by regulatory bodies and external stakeholders (Odhaimbo, 2020).

According to the respondents, the majority of NGOs in Narok County are financially sustainable as a result of accountability. Correlation analysis revealed that all variables had positive coefficients. This suggests that increasing these variables might result in increased financial sustainability for NGOs. This is substantiated by the multiple regression analysis, which found that accountability had a large positive effect on financial sustainability, accounting for up to 48.3 percent of the variation. According to the model coefficients, all variables have a favorable effect on financial sustainability in NGOs.

This is consistent with Odhiambo (2020), who also found a favorable impact on the accountability of donor money by non-governmental organisations in Kisumu County. As a result, having well-structured accountability mechanisms in NGOs will significantly improve their financial sustainability by assuring transparency and predictability in financial operations. However, it contradicts Karanja and Karuti (2014), who discovered a negative correlation. Lambert (2019) also discovered that NGOs competed for individual donations, foundation cash, and government subsidies.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

This chapter summarizes the findings from chapter four and gives the conclusions and recommendations. The chapter also discusses the study's limitations and offers suggestions for future research in order to answer the research question or achieve the research objective.

5.1 Summary of Findings

The study aimed to investigate the impact of financial planning on the financial sustainability of NGOs in Narok County. Only budget planning was found to have a high level of acceptance, while the others had moderate levels of adoption, with stakeholder participation having the lowest level. The correlation analysis revealed that financial planning and financial sustainability had a Pearson Correlation of 0.448 and a p-value of 0.000. The positive coefficient indicated that financial planning improved the financial sustainability of non-governmental organisations (NGOs).

Financial planning had a substantial favorable effect (95% confidence level, p-value < 0.05). As a result, an NGO that implements adequate financial planning techniques will considerably increase financial sustainability by ensuring that all financial resources within the organization are fully accounted for.

The study also intended to determine how financial monitoring and evaluation affect the financial sustainability of NGOs in Narok County. Financial monitoring and evaluation techniques in non-governmental organizations were found to be moderately adopted, with the functional internal financial monitoring department having the highest level of acceptance. Financial monitoring and assessment and financial sustainability were also shown to have a Pearson's coefficient of correlation of 0.597 with a p-value of 0.000.

The positive coefficient indicated that financial monitoring and evaluation improved the sustainability of non-governmental organizations (NGOs). Financial monitoring and evaluation had a substantial favorable effect (95% confidence level, p -value < 0.05). As a result, an NGO that implements suitable financial monitoring and assessment techniques will considerably improve its financial sustainability by increasing transparency and accountability.

Furthermore, the study sought to establish the impact of financial controls on the financial viability of NGOs in Narok County. According to the findings, financial control measures in NGOs were moderately adopted, with value for money being determined on all projects being the most implemented and budget performance reports being sent to donors and other financiers being the least. The Pearson's coefficient of correlation for financial control and financial sustainability was 0.695, with a p -value of 0.000.

The positive coefficient indicated that financial monitoring and evaluation improved the sustainability of non-governmental organizations (NGOs). Financial control had a substantial favorable effect (95% confidence level, p -value < 0.05). As a result, an NGO that implements suitable financial control techniques will considerably increase financial sustainability by managing the entry and outflow of resources inside the organization.

A comparative regression model was used to identify the moderated effect caused by the moderating variable, the Regulatory Framework. Incorporating the Regulatory Framework was designed to have a minimal impact on the relationship between accountability and financial sustainability, strengthening the influence obtained by only 0.7%.

This demonstrated that the regulatory framework had a major impact on the relationship between NGOs' responsibility and financial viability. As a result, NGOs must build a

variety of internal accountability systems in addition to the levels required by regulatory agencies and external stakeholders.

The overarching goal of the study was to investigate the impact of accountability on the financial viability of NGOs in Narok County. To attain this goal, multiple regression analysis was performed. The findings indicated that accountability has a significant positive influence on financial sustainability. The coefficient of correlation was 0.708, demonstrating that accountability promotes financial sustainability. Thus, accountability explained up to 48.3 percent of the difference in financial sustainability.

Accountability significantly improved NGO financial sustainability (p-value < 0.05). As a result, having well-structured accountability mechanisms in NGOs will significantly improve their financial sustainability by assuring transparency and predictability in financial operations.

5.2 Conclusions of the Study

Based on the findings, the study finds that the financial planning procedures used by NGOs were relatively poor. Financial monitoring and evaluation procedures in NGOs were moderately adopted, with the functional internal financial monitoring department having the highest adoption. Similarly, the study shows that NGOs' Financial Monitoring and Evaluation processes were somewhat adopted. This suggests that accounting methods in NGOs are not fully embraced, which may explain why the majority of NGOs have low levels of sustainability.

The study found that financial planning, financial monitoring and assessment, and financial control all have a positive and significant impact on the financial sustainability of NGOs. The study finds that financial planning, monitoring, and evaluation, as well as financial control, should be implemented. This means that accountability is a significant

factor influencing the financial viability of NGOs. The study also discovered that the regulatory framework has a considerable but limited moderating effect on the connection between NGO accountability and financial sustainability.

The study concludes that the legislative framework effects the accountability procedures used, which improves the financial sustainability of non-governmental organizations (NGOs).

The overarching goal of the study was to investigate the impact of accountability on the financial viability of NGOs in Narok County. The study shows that accountability has a significant positive impact on financial sustainability. As a result, improving NGO accountability standards will help NGOs remain sustainable. As a result, the low financial sustainability encountered by non-governmental organizations is attributed in part to a lack of adequate accountability mechanisms. Thus, accountability policies are critical in achieving increased financial sustainability in NGOs.

5.3 Recommendations of the Study

The study found that NGOs did not fully implement accountability practices. As a result, the report suggests that NGO management pursue accountability procedures as one of their core tactics. The management of NGOs must improve numerous accountability procedures, such as budget control, overhead ceilings, financial reporting, financial proposal analysis, and stakeholder involvement. This will significantly improve the financial sustainability of NGOs and their overall performance.

The report proposes that NGOs develop proper and efficient accountability procedures to monitor performance, improve legitimacy, and responsibility. The report also suggests that in order to achieve credibility from financiers, NGOs should be accountable by

implementing adequate financial controls and partnering with an existing NGO or obtaining sponsorship from a well-known organization.

The study also recommends that all NGOs' management ensure their firms have accountability policies and procedures in place so that boards and officers understand their fiduciary responsibilities to ensure NGO finances are properly managed and the organization's charitable purposes are fulfilled.

The NGO regulatory framework did not have a substantial moderating influence on the connection between accountability and financial practices. However, accountability procedures influenced by the regulatory framework were found to have a considerable impact on the financial sustainability of NGOs. The report so suggests that the NGOs regulating board develop basic accountability requirements that NGOs must meet.

This will lead to greater accountability, and hence more NGOs will be sustainable. Regulators should keep an eye on compliance with these practices. The report also suggests that NGO management thoroughly assess policy and practice for accountability practices, and that the outcomes of that examination be used to strengthen accountable processes.

5.4 Suggestions for Further Research

This study looked at the impact of accountability on the financial viability of NGOs in Narok County. The report proposes that more research be conducted on the impact of accountability on NGO financial sustainability, but only on NGOs working in other parts of the country. This confirms the findings and allows them to be generalized. The study also looked at non-governmental organizations (NGOs) that engage with public governance. This indicated that the findings were relevant to NGOs in the public

governance segment but may not be applicable to NGOs in other segments. A follow-up study is consequently advised, in which different kinds of NGOs will be investigated.

The study discovered that NGO regulation had no discernible moderating influence on the connection between NGO accountability and financial sustainability. A follow-up study is recommended on the impact of the NGO regulatory framework on NGO accountability and financial sustainability. This will confirm the conclusions of this investigation.

Additional research should be conducted on other drivers of the financial viability of NGOs in Kenya. The study discovered that accountability accounted for 50% of NGO sustainability. This meant that other elements influencing financial sustainability were not investigated. Additionally, similar research may be undertaken in organizations other than NGOs, allowing for a more broad generalization of the study's conclusions.

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APPENDICES

Appendix I: Informed Consent Form

Dear sir/madam,

RE: REQUEST FOR YOUR CONSENT TO PARTICIPATE IN A RESEARCH

I kindly write to request for you to participation in a research project. The study title is:
**EFFECT OF ACCOUNTABILITY ON FINANCIAL SUSTAINABILITY AMONG
NON-GOVERNMENT ORGANIZATION IN NAROK COUNTY, KENYA**

The potential risks and discomforts of the study are minimal. This is because you will only be expected to participate in the questionnaire. Before filling the questionnaire, all respondents will be reminded and requested to keep what is discussed to be confidential. There are no potential benefits for you as a person for participating in this study. I am requesting you to volunteer and share your opinions. No payments will be made for the information that you give or for the time that you will spend with us. Confidentiality of any information that you provide will be maintained. Data collected will only be used for the purpose of this study and will be destroyed when the findings are published.

PARTICIPATION IN THIS STUDY IS ENTIRELY VOLUNTARY. YOU MAY REFUSE TO FILL THE QUESTIONNAIRE AND YOU MAY WITHDRAW AT ANY STAGE IF YOU SO WISH.

If you accept to participate in this study, please append your signature below: Signature of participant..... Date:

If you have any query, please contact the following:

Mobile phone: +254711939629 or by email @gmail.com

Sincerely,

RESEARCHER

CONSENT

I have carefully reviewed the provided details, comprehended the information, and had the chance to seek clarification. I acknowledge that my involvement in this study is entirely voluntary, and I retain the freedom to withdraw at any point, without the need to provide a justification and without incurring any expenses. I am aware that I will receive a copy of this consent form. With full understanding, I willingly consent to participate in

this study.

Participant's signature _____ **Date** _____

Investigator's signature _____ **Date** _____



To what extent do the financial monitoring and evaluation techniques listed below apply to your nongovernmental organizations? Use a scale of 1 to 5, with 1 representing no extent, 2 representing a minor extent, 3 representing a moderate extent, 4 representing a significant extent, and 5 representing an extremely great extent.

Practices of Financial Monitoring and Evaluation	5	4	3	2	1
There is a fully functioning internal finance Monitoring department, including internal audit.					
NGO expenditure is closely reviewed to ensure alignment with budget and planned use.					
Financial transactions are documented instantly. occur to facilitate financial monitoring.					
Financial and management reports are prompt and reliable.					
Financial statements and reports are created and presented using internationally recognized accounting rules and practices.					
Evaluation programs are undertaken at completion. range of projects					
The outcomes of monitoring and evaluation operations are communicated with the stakeholders					

Do your nongovernmental organizations implement the following financial control practices? Use a scale of 1 to 5, where 1 is to no extent, 2 is to a minor extent, 3 is to a moderate extent, 4 is to a considerable extent, and 5 is very large.

Practices of Financial Control	5	4	3	2	1
Value for money is determined for all projects.					
Budget variances are communicated to stakeholders annually, with complete reason acquired.					
To address problematic budget variations, management must seek consent from stakeholders.					
Budget performance reports are distributed to donors and financiers.					

Section C: NGO Regulatory Framework

Please describe the extent to which the non-governmental NGO regulatory framework applies to the following financial components of your organization. Use a scale of 1 to 5, with 1 representing no extent, 2 representing a minor extent, 3 representing a moderate extent, 4 representing a significant extent, and 5 representing an extremely great extent.

NGO Regulation	5	4	3	2	1
NGO regulation affects the amount of funding. Available to non-governmental organizations.					
NGO finance plans are impacted by the regulatory framework.					
NGO regulations impact financial monitoring NGOs follow certain practices					
The regulatory framework for non-governmental organizations impacts their evaluation and control processes.					

Section C: Financial Sustainability Of Ngo

Please indicate the extent to which the following financial sustainability factors apply to your company. Use a scale of 1 to 5, with 1 representing no extent, 2 representing a minor extent, 3 representing a moderate extent, 4 representing a significant extent, and 5 representing an extremely great extent.

Measure of Financial Sustainability	5	4	3	2	1
Annual income and expenditure statements for non-governmental organizations Always has surplus					
NGO funding is diverse, with donors contributing no more than 40% of total support.					
The organization has a lower percentage of fixed costs compared to the entire cost.					
The organization has a favorable operational margin ratio.					

Appendix III: List of NGO'S in Narok County, Kenya

SNO	NAME OF NGO
1	World Vision International
2	Aga Khan Foundation
3	International Rescue Committee
4	Mercy Corps:
5	Care International
6	Oxfam International:
7	Amref Health Africa
8	Kenya Red Cross Society
9	Actionaid International Kenya
10	African Wildlife Foundation
11	Kenya Human Rights Commission
12	Asante Africa Foundation:
13	Child Fund Kenya
14	African Conservation Center:
15	Athletics Kenya:
16	Abstinence Kenya
17	Africa Digna
18	Namuncha Maasai Community Group
19	Achievers Narok
20	Yatima Outreach Organization
21	Indigenous Livelihood Enhancement Partners (Ilepa)
22	Africa Hope Kenya
23	Orphan Outreach
24	National Environment Trust Fund (Netfund)
25	Aqua Clara Kenya
26	Cohesu
27	Konnect Youth Consortium
28	Kenya Health Care Initiative
29	Lwala Community Alliance
30	Indigenous Livelihoods Enhancement Partners (Ilepa)
31	Mission With A Vision Organization,
32	Yatima Outreach
33	Amnesty International
34	Africa Health And Development:
25	Adventist Centre For Care And Support:
26	Africa Peace Forum:
27	Eachrights
28	Worldview Foundation
29	Save The Children

30	Healing Foundation Center
31	Habitat For Humanity Kenya Ltd
32	Centre For Rural Economy Support Services
33	Children Welfare Association Fund (C.W.A.F)
34	Association Of Former International Civil Servants-Kenya
35	Fight Against Aids Stigma In Kenya
36	Watoto Wenye Nguvu International Orphan Care
37	Women's Empowerment Link
38	Female Enlightenment Organization
39	Charity Relief Organization
40	Maendeleo Ya Vijana Wa Kenya
41	International Medical Collaboration Unit Kenya
42	Organization Of Youth Empowerment And Solidarity
43	Multi-Faceted Assistance And Information Sharing On Hiv/Aids
44	Womankind Kenya
45	Tender Hands Initiative
46	Careers For Life International
47	The Kenya National Committee For The Prevention Of Alcoholism And Drug Dependency
48	Careers For Life International
50	Anppcan-Kenya, African Network For The Prevention And Protection Against Child Abuse And Network
51	Fight Against Aids Stigma In Kenya
52	Inada Lange Foundation For Aids Research -Kenya
53	Eastern Africa Environmental Network
54	Sustainable Programme For Socio-Economic Empowerment And Development
55	Nutritional Advancement Co-Operation
56	Missionaries Of The Poor
57	Farming Initiatives Support Services
58	Sports For Life Organization
59	First Avenue For Youth Development
60	Develop Kenya Organization
61	Community Based Agribusiness Initiative
62	Health Agriculture And Development Organization
63	Reproductive Health Community Initiative
64	Caring Citizens International Foundation
65	Centre For Heritage Development In Africa
66	Centre For Legal Rights, Education, Advocacy And Development
67	Climate Cohesion Foundation
68	Compassion To The Regions Beyond
69	Consortium For National Health Research


70	Development Support Initiatives For Research And Education In Africa
71	East African Wildlife Society
72	Engender Health
73	Foundation For Sustainable Development-Kenya
74	Free The Children
75	Friendly Action Network Organization
76	Full Gospel Churches Of Kenya Development Projects
77	Girls Leading Our World Initiative
78	Global Deaf Connection /Kenya
79	Global Health Action
80	Help A Child Africa
81	Hope In Action Association – Kenya
82	Humanitarian And Charitable One Trust Kenya
83	I – Link Community Services Organization
84	Initiatives For Development Of East African Region
85	Institute Of Environment And Water Management
86	International Centre For Reproductive Health
87	International Child Support
88	Islamic Relief-Kenya
89	Jitegemee Children Program
90	Just Say No To Drugs Organisation
91	Kenyamed Aid Funds For Promotion Of Natural Medicine In Kenya
92	Kenya Education Partnerships
93	Kenya Connect
94	Noble Actions International Organization
96	Nomad Charities – Kenya Chapter
97	Pastoralist Intergrated Support Programme
98	Platform For Land Use Sustainability – Kenya
99	Plant Resources Of Tropical Africa
100	Rural Agency For Community Development And Assistance (Racida)
101	Rural Development Through Social Appropriation Of Technologies (Rudesat) International
102	Social Initiative For Development102
103	Source – Net Women Empowerment Program
104	Strengthening Community Partnership And Empowerment
105	Sustainable Development And Peace Building Initiatives
106	Teach A Child Africa-Kenya Chapter
107	The Development Assistance For Rural Enterprise (Dare) Foundation
108	The Education Kenya International Fund
109	The Salvation Army Kenya
110	Teach A Child Africa-Kenya Chapter
111	The International Service For The Acquisition Of Agri – Biotech Applications

	(Isaaa Africenter)
112	The Kenya Organisation For The Environmental Education
113	The Turning Point Trust-Kenya
114	The Windle Charitable Trust
115	The World Student Christian Federation
116	The Youth Agenda
117	Think Impact Kenya
118	Thread Of Life Organization
119	To Love Children Educational Foundation International – Kenya
120	Total Action Guild Of Kenya
121	Touch A Life International
122	Undugu Society Of Kenya
123	United Global Volunteers International
124	Uplifting Men And Youth In Africa
125	Upendo Children’s Development Organization
126	Uweza Foundation
127	Value Addition And Cottage Industry Development Initiative Africa
126	Viafrica Kenya Foundation
127	Vijiji Projects
128	Volunteers For Africa
129	Vision Africa Give A Child A Future
130	Voluntary And Community Development Project
131	Water And Development (Maji Na Ufanisi)
132	Water For All Organization
133	Water Organization Kenya
134	Watershed Corp Kenya
135	Watoto Education Initiative
136	Woman To Woman Africa
137	Women And Health Alliance International
138	Women In Law And Development In Africa (Wildaf)
139	World Corps Kenya
140	World Neighbours – Kenya
141	World Youth Channel
142	Worldlife Foundation Kenya
143	Youth Agenda
144	Youth Alive! Kenya
145	Youth Net Africa
146	Youth Opportunities Upheld (Y.O.U), Inc. Kenya
147	Youth Support-Kenya
145	Zuia Mtoto Asipotee
146	Matibabu Foundation
147	Mothers 2 Mothers Kenya

148	Movement Against Substance Abuse In Africa
149	Muslim Education And Welfare Association
150	National Association For The Prevention Of Starvation – Kenya
151	Noble Actions International Organization
152	Make Way Partners
153	Mainyoito Pastoralist Integrated Development Organisation
154	Maasai Association – Kenya
155	Kingdom Driven Ministries Kenya
156	Kickstart International Inc. Kenya
157	Information Training And Outreach Centre For Africa
158	Friends Of Ozone – Africa
159	Engender Health
160	Family Health Options Kenya
162	Farm Strategies Organization
163	Computers For Schoolskenya
164	Citizens Against Violence Organization
165	Centre For Social Responsibility And Accountability
166	Caring For Kenya’s Kids
167	Beacon Of Hope
168	Baylorcollege Of Medicine Children’s Foundation – Kenya
169	African Woman And Child Feature Service
170	Afrika Able Organization
171	African Media Initiative
172	Africaalliance Of Ymcas
173	Action For Empowerment – Kenya
174	Adopt A Village In Africa – Kenya
175	Child Refuge Centres International
176	Christadelphian Meal – A – Day Fund
177	Compassion To The Regions Beyond
178	Co-Operative Housing Foundation (Chf) International
179	Family Health Options Kenya
180	Footsteps Into Change Organization

Source; <https://ngos.ke/>

Appendix IV: Authorization Letter from the Institution


Mount Kenya University

DIRECTORATE OF GRADUATE STUDIES

MBA/2023/60628
15th January, 2025

*National Commission for Science Technology & Innovation (NACOSTI)
Off Waiyaki Way, Upper Kabete,
P.O Box 30623- 00100
NAIROBI, KENYA*

Dear Sir/Madam,


RE: TIYO BRANICE ALICE SARIS - REGISTRATION NO. MBA/2023/60628


The purpose of this letter is to introduce the above named student who is pursuing **Master of Business Administration** in the department of **Accounting and Finance** in the school of **Business and Economics**.

The title of the research is **"Effects of Accountability on Financial Sustainability Among Non-Government Organization in Narok County Kenya."** It has been cleared by the University's Ethics Review Committee (Certificate attached) and now has to proceed to the field to collect data between **January, 2025 and March, 2025**.

Any assistance accorded to the student will be highly appreciated.

Thank you.


Dr. Samuel M. Karenga PhD
Director, Graduate Studies
Enc.


Mount Kenya University
P. O. Box 342 - 01000, THIKA
Office of the Director,
Graduate Studies

Main Campus, General Kago Road, P.O. Box 342-01000 Thika.
Cell: +254 709 153 000 / +254 709 153 200

Appendix V: ERC Clearance Letter



REF: MKU/ISERC/4675
TO: TIYO BRANICE ALICE SARIS

Date: 14 January 2025

REG: MBA/2023/60628

Dear Sir/Madam,

**RE: EFFECT OF FINANCIAL ACCOUNTABILITY ON FINANCIAL SUSTAINABILITY AMONG
NON-GOVERNMENT ORGANIZATION IN NAROK COUNTY, KENYA**

This is to inform you that **Mount Kenya University** has reviewed and approved your above research proposal. Your application approval number is **3397**. The approval period is **14/01/2025 - 13/01/2026**.

This approval is subject to compliance with the following requirements;

- i. Only approved documents including informed consents, study instruments, MTA will be used
- ii. All changes including amendments, deviations and violations are submitted for review and approval by **Mount Kenya University**
- iii. Death and life-threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to **Mount Kenya University** within 72 hours of notification
- iv. Any changes, anticipated or otherwise that may increase the risks or affect the safety or welfare of study participants and others or affect the integrity of the research must be reported to **Mount Kenya University** within 72 hours
- v. Clearance for export of biological specimens must be obtained from relevant institutions
- vi. Submission of a request for renewal of approval at least 60 days prior to expiry of the approval period. Attach a comprehensive progress report to support the renewal
- vii. Submission of an executive summary report within 90 days upon completion of the study to **Mount Kenya University**

Prior to commencing your study, you will be expected to obtain a research license from National Commission for Science, Technology and Innovation (NACOSTI) <https://research-portal.nacosti.go.ke> and also obtain other clearances needed.

Yours sincerely,

Dr. Alfred Owino, PhD
Chairman, Mount Kenya University ISERC



Appendix VI: NACOSTI Research Permit

 REPUBLIC OF KENYA	 NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION
Ref No: 521465	Date of Issue: 29/January/2025
RESEARCH LICENSE	
	
<p>This is to Certify that Ms. BRANICE SARIS TIYO of Mount Kenya University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Narok on the topic: EFFECT OF FINANCIAL ACCOUNTABILITY ON FINANCIAL SUSTAINABILITY AMONG NON-GOVERNMENT ORGANIZATIONS IN NAROK COUNTY, KENYA for the period ending : 29/January/2026.</p>	
License No: NACOSTI/P/25/415520	
Applicant Identification Number 521465	 Director General NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION
Verification QR Code	
	
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See overleaf for conditions	

Plagiarism Report

EFFECT OF ACCOUNTABILITY ON FINANCIAL SUSTAINABILITY AMONG NON-GOVERNMENT ORGANIZATION IN NAROK COUNTY, KENYA

by branice tiyo

Submission date: 04-Apr-2025 05:33PM (UTC+0300)

Submission ID: 2835066981

File name: BRANICE_PROJECT.docx (220.56K)

Word count: 20199

Character count: 120911

EFFECT OF ACCOUNTABILITY ON FINANCIAL SUSTAINABILITY
 AMONG NON-GOVERNMENT ORGANIZATION IN NAROK
 COUNTY, KENYA

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