FINANCIAL ACCOUNTABILITY PRACTICES AND FINANCIAL SUSTAINABILITY OF DONOR FUNDED PROJECTS IN KIAMBU COUNTY, KENYA

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ABSTRACT

Since the inception of county governments in early 2018, several functions have been devolved from the national government. The county governments have since then been in charge of billions of Kenya shillings. Since 2018, most of the county governments have reported budget deficits resulting in their inability to sufficiently fund both recurrent and development expenditure within their jurisdictions. Donors come in handy to facilitate projects in the Counties where the County governments do not have the resources to uptake certain projects that touch on development and poverty reduction. The purpose of this study was to assess the relationship between Financial accountability practices and financial sustainability of donor funded projects in Kiambu County, Kenya. The specific objectives of the study were; to examine the influence of Financial monitoring, Financial planning, Financial control and Fund utilization on financial sustainability of donor funded projects in Kiambu County, On the theoretical review, the study was guided by three theories namely; theory of change, complexity theory, theory of financial control and accounting process theory. Descriptive research design was used in the study. The target population included managerial staffs which will be a total of 360 head office heads and sub county heads in the Kiambu. Stratified random sampling was used to arrive at target group while simple random sampling was carried out get the sample size. The sample size was 52.5% of the target population which was 189 respondents. Data was collected using Questionnaires. The results indicated that there independent variables (Financial monitoring, financial planning and financial control) statistically influenced sustainability of donor funded projects in Kiambu County significantly. The study further revealed that fund utilization effect on financial sustainability of donor-funded projects was positive but insignificant. The study recommends that the management and stakeholders of non-profit organizations to ensure that; financial management practice is properly put into practice, proper financial planning is done to relevant stakeholders in time to develop trust among the stakeholders, financial control is practiced so as to ensure that proper financial management is done in the organizations and projects are constantly monitored and risks assessed prior to project implementation.

INTRODUCTION

Background of the Study

Donor-funded Projects are externally-funded activities in which a formal written agreement, such as a grant, contract, or cooperative agreement, is entered into between the recipient and the donor (Kremer, 2019). Any donor of a development project funds a project which a recipient has: a specified statement of work, clear project deliverables, detailed financial accounting and budget specifying direct and indirect cost (Kagwathii, 2019). Mostly, donors would support the interventions in vulnerable communities with rampant ethnic strife, facing natural disasters, struck with repeated draught and have limited access to clean water and education.

Viswesvaran (2019), refer to financial accountability as the requirement to provide information to parties both inside and outside the organization. It is the process of identifying, measuring and communicating economic information to permit informed and rational decisions to be made. Accountability refers to the final responsibility for the success or failures of an organization. This final responsibility is usually with the governing body, which delegates this function to the Chief Executive Officer. Accountability is a key requirement of good governance. Not only governmental institutions but also the private sector and civil society organizations must be accountable to the public and to their institutional stakeholders. An organization or an institution is accountable to those who will be affected by its decisions or actions. Since the County governments get most of their funding from the National government and donors, accountability for County governments is usually to the National government, donors, the beneficiaries, the employees and other stakeholders (Wells, 2018).

Financial accountability has number of practices including Financial monitoring, Financial planning, Financial planning disclosure, Financial control and fund utilization. Financial planning entails transparency in budgeting and involvement of all the stakeholders in Financial Control. Lack of transparency in financial planning does not auger well with most of the stakeholders which affects County governments' revenue streams and hence sustainability of donor funded projects (Odhiambo, 2018). Accountability constitutes financial objectives both long and short term that aim at achieving the speculated financial incomes while Financial planning and monitoring on the other hand aims at fostering transparency in Financial use in the County governments (Kristin, 2019).
According to Johnson and Scholes, (2017) sustainability refer to a measure of the ability of an organization to fulfil its objectives and meet the stakeholders' requirements. It entails the ability of firm to effectively grow, develop and function effectively for a long period of time. For organizations to be sustainable, proper strategies which cover foundations, fundraising and advocacy are required (Dorothy, 2017). Sustainability in organizations is categorized into three main groups including Financial sustainability, organization sustainability and sustainability in service provision (Johnson & Scholes, 2017).

Sustainability is the ability of an organization to develop a strategy of growth and development that continues to function indefinitely. This implies that organizations need to have proper strategies covering advocacy, foundations and fundraising, governance, management and leadership among others (Dorothy, 2017). Donors play a significant role in the social development process in all regions of the world. They are particularly critical in circumstances where County funds are limited, political situations are fluid, natural disasters resulting from both predictable and unpredictable environmental circumstances occur, ethnic strife is rampant, and the level of per capita income severely restricts the ability to purchase needed goods and services - social, educational and economic.

Global Perspective of Financial Accountability

According to Shah and Shah (2019) local authorities in developing countries continue to play a small role in public service delivery with a few notable countries such as a China and Brazil. The role of local authorities in these countries (China and Brazil) has progressively increased. The small role played by the local authorities in developing countries may be as a result of heavy regulation of the local authority activities and inadequacy of Financial resources (Smoke, 2020). This implies that local authorities have limited autonomy in expenditure decisions and hardly any in revenue-raising decisions.

According to Watts (2018), Canada, Colombia and the United States assign the right to exploit the fiscal dividend of natural resources to its provinces and states with the aim of promoting their Financial accountability. Watts further observes that other countries are engaged in sharing arrangements between the central and regional governments so as to secure the future of the counties and the country as a whole.

According to Price Water House Coopers (PwC, 2019), the most common characteristics of local government councils in Australia typically which typify Financial accountability constraints include minimal or negative revenue growth, increasing involvement in non-core service provision due to escalating community demands, coupled with a related tendency by some councils to step-in to provide a nontraditional service, a tendency by some councils to run operating deficits creating a need to defer or under spend on renewal of infrastructure, particularly community infrastructure which is often repeated annually creating a backlog, limited access for some councils to strong Financial and asset management skills which are critical to identifying accountability problems, optimizing renewals expenditure and improving revenue streams, and a small proportion of councils also have limited access to rate revenue due to relatively small annual rate increases and a low initial rating base.

McKinsey (2021) reports that only 36 percent of projects were sustainable and satisfactorily achieved the intended purpose. This is a dire condition as the implication is that a whopping 64 percent of donor funded projects were unsustainable and failed to achieve preset objectives which represents a waste of resources that could have been channeled elsewhere. Most donor projects have also been associated with unprecedented delays, cost overruns, irregular scope changes, and beneficiary dissatisfaction which have an impact on the ultimate sustainability capacity of these projects (Abiddin et al., 2022).

Regional Perspective of Financial Accountability

In the regional context, Ilesanmi and Afolabi (2022) highlight dire sustainability challenges facing donor funded projects indicating that between 27 and 33.3 per cent could not go beyond the donor's period. The collapse of projects after the donors have left are principally associated with heavy overruns on cost, schedule and scope of the projects. The overruns are usually less prevalent in donor-funded projects in a nominal term because most donors often agree on a fixed price with the beneficiary institution.

According to Wunsch (2020) although many African countries have pursued decentralization reforms, these reforms have not managed to bring about effective governance. This study concludes that failure in reforms occurs in four areas which inhibit distribution of substantial resources. These four areas are planning and capital investment, budgeting and fiscal management, personnel systems and management, plus finance and revenue. Schoeman (2019) investigated fiscal performance in terms of own-revenue collection and accountability of local municipalities in South Africa. This study noted that a large number of municipalities do not comply with the requirement that a reasonable amount of current expenditures be financed by means of own resources. Furthermore, local governments finances are featured by substantial variance as far as collection of own income is concerned.

Local authorities have limited range of resources (Holloway, 2018). The greatest dependence is very likely to be on foreign grants, and it is likely that these funds which make up these grants come from central government. Finally, building a constituency and creating viable and sustainable organizations is important for local authorities, since resource mobilization is not simply generating resources for survival from one year to the next. For local authorities in Africa to provide the services required adequately and efficiently, they will need to find new methods and ways of mobilizing more revenues (Tibaijuka, 2020). This will ensure financial accountability of the local authorities and enable them carry out their mandate effectively. According to Fjelstad, Henjewele, Mwambe, Ngalewa and Nygaard (2019) there is a causal relationship between Financial accountability of local authorities and governance in Tanzania. In Uganda, it is noted that increases in revenues lead to less than proportionate increases in local government expenditures which then lead to credence of the flypaper effect (Sennoga (2019).

Although, various donors funded projects have been initiated in various countries. However, most projects are non-sustainable in that the intended impacts have not been felt. For instance, a study done by Pringle and Lipschutz (2015) indicated that the government of France funded an irrigation project dubbed “Office du Niger”, an irrigation project funded by government of France, with the aim of irrigating 2.47 million acres to grow cotton and rice and develop hydropower in the Mali desert at a cost of $300 million, have become unsustainable. Some of the issues which were mentioned to cause the unsustainable include poor community participation; lack of resource accountability and lack of continues funding of project. Additionally, a study by Baumgartner (2019) indicated that “Roll Back Malaria, across Africa” which was funded by multiple donors to end the malaria pandemic in Africa by year 2015, impact analysis indicated that malaria infection rate had increased by 12 percent. According to Ika (2017) out of projects funded by World Bank in Africa, only half of them succeed. He attributed most of the failures to imperfect project design, poor stakeholder management, lack of accountability, delays between project identification and start-up, delays during project implementation, cost overruns, and coordination failure.

A development project is said to be sustainable when it meets environmental challenges, responds to social and cultural demands and delivers economic improvement (Karlsen, 2018). The fundamental concept of sustainable development is to deliver long term affordability, quality and efficiency, value to clients and users, whilst decreasing negative environmental impacts and increasing the economic sustainability. The social aspect is seen in reforms of in people way of life - a new approach to how to build, to achieve development that meets the economic, social and environmental needs of future generations.

According to Ghai (2019), most African countries with centralized systems of governance exhibit several symptoms that are associated with poor or failed governance. It is further noted that one of the most serious symptoms include the inability to discern between public and private resources since most of the people in positions of leadership exploit public resources for private gain. Ndulo (2019) also asserts that lack of devolution in most African countries with centralized governments leads to limited participation by the citizenry.

Local Perspective of Financial Accountability

In Kenya, the situation is the same as many donor funded projects can hardly be sustained beyond the donors span. Further, Kisilu et al., (2016) estimates that about 58% of the donor funded projects in Kenya show poor performance in terms of completion in time, within budget, within scope and client satisfaction. The overruns become more pronounced after donors have left explaining why the projects become unsustainable during this period. There are however a few exemptions such as the Kenya Integrated Water, Sanitation and Hygiene (KIWASH) program in Makueni County by the United States Agency for International Development (USAID) which demonstrated incredible sustainability and met the pre-established objectives of improved access to sustainable water, hygiene and sanitation services (Matandi, 2022).

According to Muli and Rotich (2019), poor Financial accountability practices has significantly contributed to budget implementation crisis in county governments in Kenya. It is stated that, Financial accountability practices actually effect on implementation of budgets by county governments. In the same perspective, some of the Financial accountability practices in respect of county governments include among others, Financial planning, budgeting, sourcing of funds, allocation and control of funds (Simon & Muhamed, 2017). According to the author, the aforementioned practices explained 41.1% of Financial performance of the County Government of Mombasa. Other Financial accountability practices in relation to county governments include records management and internal monitoring of public funds (Wang'ombe & Kibati, 2019).

According to Lubale (2017), part of the principles of planning and development in county governments include engendering effective resource mobilization for sustainable development, sustainable employment of available resources, and also Financial accountability. According to Mugambi and Theuri (2019), county governments in Kenya face serious challenges when preparing budgets. Though, county governments adhere to the stipulated procedures during budget preparation and their technical teams have requisite capacity required in Financial control, Financial monitoring, Financial planning and low level of fund utilization on financial sustainability of donor funded projects of county governments in Kenya are key challenges.

The financial sustainability of donor funded projects for County governments locally has become a critical factor and a point of emphases as a long-term goal that requires concerted efforts and an ongoing process which is forms an integral part of day-to-day management agenda. There has been increasing demands and pressure on county governments to be Financially agile, if these demands are not addressed by creating ways of ensuring Financial sustainability, then they are bound to have far-reaching consequences (GOK, 2018). The quest to improve their Financial soundness are often affected by the way they operate and respond to both the internal and external factors, innovation and leadership styles. They are also exposed to a lot of undue competition, unpredictable revenues, market competition, economic downtimes, inefficiency, poor accountability, corruption and political interference which create overreliance on government subsidies affecting their long-term sustainability (Muthoka & Ogutu, 2019).

It has often been assumed that Financial strength amounts to sustainability of donor funded projects which alone is insufficient over time. There is a need to develop holistic overall capacities for County governments to adopt methodologies that enable them generate more resources for their endeavors. Mutinda and Ngahu (2021) noted that key attributes to sustainability of donor funded projects are sound Financial accounting practices, active fund management, planning, ability to innovate, and infrastructure development. A sustainable organization is able to survive in the long run by generating its own revenue without depending on contributions from donors, financiers, and well-wishers (Nganga & Kibati, 2019).

The desire to attain proper accountability in public sector is indispensable and requires employees with rights skills, ability and a positive attitude towards work (Kamau, 2019). Financial accountability in all sectors is very important if it is to achieve the intended objectives of financial monitoring practices. However, the county governments have continued to struggle for liquidity, efficient accountability for Financial resources and timely Financial planning as part of financial monitoring procedures besides, there is challenges of Financial control, poor monitoring, Financial planning and fund utilization (Auditor General Report, 2018/2019).

County Government in Kenya

There are 47 County Governments in Kenya and one National government. The county governments were operationalized after the 2010 constitution came into effect. These counties are divided into county assemblies and county executives. Financial accountability practices falls under the county treasurer, who is a member of the county executive (COK, 2010). At inception, the activities of the county treasurer had been on the increase due to funding been channeled to the county by the Central Government and other donors such as the World Bank. Nonetheless, many of the County Governments find it difficult to access funding because their financial accountability practices are still wanting. The mandate of County Government is to execute development activities in collaboration with the National Government through budget allocation annually. Despite the annual budget allocation, performance of County Governments in Kenya has remained a big challenge due to misappropriation of financial resources due to ineffective of accountability/systems.

Devolution, as envisaged in the Constitution of Kenya entails sharing of political, administrative and fiscal responsibilities between the national and the county governments (Republic of Kenya, 2010). Political decentralization involved the transfer of political authority to the local level through the establishment of County governments as well as electoral and political party reforms. Administrative decentralization has led to full or partial transfer of functional responsibilities to the County governments. Functions that have been transferred to the County governments include health care services, garbage collection, among others.

The county governments in Kenya were established in the year 2018 after the general election. These county governments took over from the previously existing local governments. Therefore the counties were supposed to advance the work local governments were performing in addition to other functions that were devolved to the county governments. To perform these functions, the county needs to have sustainable Financial capacities. However, most of these counties have been expressing lack of sufficient funds to finance their budgets and effectively perform their functions. Granted that the devolved governments do not have control over the use of the revenue they collect within their jurisdictions, their sustainability is more likely to be dependent on the Financial accountability practices (GOK, 2018). Regardless of the accountability, it is evident that County Governments in Kenya are inefficient and ineffective based on their accountability. However, the motive behind this research is to investigate the relationship between financial accountability practices and financial sustainability of donor funded projects of county governments in Kenya thus coming up with appropriate measures to reduce the felt difficulty among County Governments in Kenya regarding financial sustainability of donor funded projects.

Statement of the Problem

Sustainability of Donor Funded Projects in the global regional and local settings has remained a key concern to stakeholders. According to McKinsey (2021), a whopping 64 percent of donor funded projects globally were unsustainable and failed to achieve preset objectives which represents a waste of resources that could have been channeled elsewhere. Specifically for Kenya, most donor projects are not able to survive beyond the donors span. Kisilu et al., (2016) reports that about 58% of the donor funded projects fail after the donors have left.

The Kenya Integrated Household Budget Survey KIHBS (2016), shows that 36% of the total Kenya population is absolutely poor (below poverty line) while 39% of the rural population is extremely poor (Kenya National Bureau of Statistics, 2018). This poverty level and the fact that the state has not been able to fully meet its social responsibilities over its citizens have created a situation where donor funding has been valuable in community development.

Donors usually have the objective of helping to improve the livelihood of the locals either through direct participation or providing funding to supplement government's budgetary allocation to the various sectors. Unfortunately, the funds provided by most of these donors are project-driven short-term funds, which do not factor into the whole funding mechanism policies that will ensure that such projects become sustainable after donor funds have been withdrawn (Kiprop, Nzulwa & Kwena, 2017).

Sustainability of donor funded projects is critical to community growth and development continuity of the benefits. Across all the 47 County Governments in Kenya, donor funds are increasing though financial sustainability of the benefits is not guaranteed. The County governments integrate micro and macro-level actions in their project and activities to support vulnerable communities but they are constrained by limited Financial resources. Insufficient financing leads to poor maintenance and project failure. This has been necessitated by donors not falling through with pledges. In addition, some projects and programs are subject to political considerations and foreign policy goals. For example, Africa needed $1.9 billion per year to reduce Malaria by half but by 2002, donors had only raised $200 million. World Bank found that poor Financial accountability leads to failure of 38% of the donor funded projects. Lack of accountability by governments and implementers impedes financial sustainability of project benefits.

Financial accountability has thus been ascendant among County governments, with demands from funders, taxpayers, citizens and the National Government for County governments to be more transparent about their fundraising and spending, how they are governed, and utilization of resources (Ebrahim & Kasturi, 2018) Specifically, County governments are facing growing scrutiny from regulators and donors to better account for the financial resources that they receive as funding (OECD, 2019). Therefore, lack of financial accountability is likely to have more negative effect on financial sustainability of donor funded projects compared to non-governmental organizations offering basic services. Therefore, this study aimed at filling these gaps in knowledge by determining the relationship between financial accountability practices and financial sustainability of donor funded projects in Kiambu County.

Objectives of the Study

General Objective

The general objective of this research study was to examine the influence of financial accountability practices on financial sustainability of donor funded projects in Kiambu County in Kenya.

Specific Objectives

i. To examine the influence of financial monitoring on financial sustainability of donor funded projects in Kiambu County, Kenya.
ii. To examine the influence of financial planning on financial sustainability of donor funded projects in Kiambu County, Kenya.
iii. To determine the influence of financial control on financial sustainability of donor funded projects in Kiambu County, Kenya.
iv. To examine the influence of fund utilization on financial sustainability of donor funded projects in Kiambu County, Kenya.

Research Questions

i. To what extent does financial monitoring influence financial sustainability of donor funded projects in Kiambu County, Kenya?
ii. Does Financial planning influence financial sustainability of donor funded projects in Kiambu County, Kenya?
iii. To what extent does financial control influence financial sustainability of donor funded projects in Kiambu County, Kenya?
iv. Does fund utilization influence financial sustainability of donor funded projects in Kiambu County, Kenya?

Significance of the Study

County Government Administration

This study would be of benefit to the administration of Kiambu County Government in Kenya, the findings would contribute to professional extension of existing knowledge in financial accountability by helping in understanding current relationship between Financial accountability practices and financial sustainability of donor funded projects in Kiambu County, Kenya.

Policy Makers

The findings and results of the study would provide a more reliable in-depth understanding of the relationship between Financial accountability practices and financial sustainability of donor funded projects in Kenya as a whole and help shape the future policy formulation of the country, thus facilitating immensely the achievements of the objectives set by the organizations in enhancing Financial accountability putting in mind that resources are scarce and public funds should be utilized well for the greater good of the society.

Researchers

Through this study, the researcher may be able to share a deeper and wider understanding of the relationship between Financial accountability practices and financial sustainability of donor funded projects in Kiambu County, Kenya. Therefore, gaining more knowledge in an area which the researcher may not be familiar with. To researchers, the result of the study would serve as literature to throw more light on the effect of Financial accountability on financial sustainability of donor funded projects.

Scope of the Study

Regarding the content scope, the study focused on the relationship between financial accountability practices and financial sustainability of donor funded projects in Kiambu County, Kenya. The specific objectives were to determine the effect of financial monitoring, financial planning, financial control and fund utilization on financial sustainability of donor funded projects. On time scope, the study took a period of one year from November, 2022 to October, 2023. With regard to the context scope, the study was conducted in Kiambu County Government head offices, this are the head offices where the governors in each county work from.

Limitations of the Study

This part of the study makes a highlight of the anticipated drawbacks or setbacks of the study and how they would be mitigated. A non-response situation is one of the anticipated challenges of the study. This is because the information being sought is very sensitive and the management were unwilling to divulge such information. Further to that, reaching out to the ever-busy managerial staff at counties and sub counties was a hurdle. The management often has intense commitments, responsibilities and engagements and it may be difficult to reach all of them for purposes of data collection.

The study adopted the following mitigation strategies to overcome the imminent limitations of the study. To make sure that the data collection process is efficient in the backdrop of a busy class of respondents, the researcher used the drop and pick method of questionnaire administration. This ensured that the participants are given enough time to respond to the questionnaire. The researcher further obtained authorisations from Jomo Kenyatta University of Agriculture and Technology. The researcher further attached a personal commitment letter making an ethical commitment to the participants and explaining the purpose.

LITERATURE REVIEW

The literature review provides the reader with an explanation of the theoretical rationale of the problem being studied as well as what research has already been done and how the findings relate to the problem at hand. The main purpose of the literature review is to avoid unnecessary or intentional duplication of materials already covered.

Theoretical Review

County governments whose existence is well explained by various theories that have emerged over time. The problem of how County governments can ensure the financial sustainability of donor funded projects has come into focus in recent years with this dynamic being best explained by various theories. To understand the concept of Financial accountability and financial sustainability of donor funded projects in County governments in Kenya, various theories are reviewed which include the theory of change, complexity theory, theory of Financial control and the resource mobilization theory.

Theory of Change

Theory of change was developed by Weiss (1995) who described it as a theory of how and why an initiative works. Weiss highlighted it could be assumed as a way to define the set of assumptions that elucidate both the procedures that lead to a long-term goal and the networks between these accomplishments and the consequences of an interpolation. Theory of change is a model that explains how an intervention is expected to lead to intended or observed impacts (Burt, 2017). According to Jean, Diana and Avan (2016), a theory of change is utilized in strategic planning by management and decision making as a project or programme develops and progresses. It can also reveal what should be evaluated, and when and how, so that project and programme managers can use feedback to adjust what they do and how they do it to achieve the best results. A theory of change methodology will also help to identify the way people, organizations and situations change as a result of an organization activities or services, helping to develop models of good practice (Jean, Diana, & Avan, 2016). According to Woodcock (2017), some projects may, of their nature, yield high initial impacts while others may inherently take far longer, even decades, to show results, not because they don't work after three years, but because it's simply how long it takes.

Burt (2017) further states that the theory of change is useful during project sustainability as it can check on quality and thus help program team distinguish between project sustainability failure and theory failure. Burt further contends that it is essential to involve key stakeholder and staff in the development of the theory of social change as it will create a sense of ownership. In planning, Annie (2019) states that the theory of change can help an organization achieve a variety of results which are instrumental in its growth namely; strengthened organizational capacity through skills, staffing and leadership; strengthened alliances through level of coordination, collaboration and mission alignment; strengthened base of support through the grassroots, leadership and institutional relationships and alliances; improved project through stages of project change in the public project arena, including adoption, project sustainability and funding; shift in social norms through the knowledge, attitude, values and behaviors; changes in impact through the ultimate changes in social and physical lives and conditions. Impact is affected not just by project change, but by other strategies, such as community support and changes to behaviors (Annie, 2019). This theory thus is relevant to the study in relation to Financial monitoring.

Complexity Theory

Complexity theory was proposed by Kiel and Elliott in 1996. The theory states that state is neither a legal abstraction nor reducible to the individuals who purportedly comprise it. Complexity theory, which is the study of nonlinear dynamic systems promises to be a useful conceptual framework that reconciles the essential unpredictability of industries with the emergence of distinctive patterns. Despite the fact that the theory was originally developed in the context of physical and biological sciences, today it has found applications in social, ecological and economic systems which also tend to be characterized by nonlinear relationships and complex interactions that evolve dynamically over time (Kiel & Elliott, 1996).

During the 1990s, there was an explosion of interest in complexity as it relates to organizations and strategy. The theory suggests that simple deterministic functions can give rise to highly complex and often unpredictable behavior. Thus, applying this theory in Financial planning pre-supposes flexibility on the part of an organization. Any Financial planning should be done in such a manner that it accommodates the "unexpected" ensuring Financial sustainability. Thus donor funded projects would not only depend on others but device alternative strategies to counter the unexpected. This theory is deemed relevant to this study since it captures the independent variable which is

Financial planning. Financial planning should provide for unexpected occurrences in an organization.

Theory of Financial Control

The theory of Financial control was advanced by Ostman (2009). The theory takes into account the personal functions of humans, both in present day and future, as its underlying point of reference. This theory holds that an organizations existing and possible functions of Financial tools for organizations are most essential. It also states that, payments, Financial instruments, accounting, control models, economic calculations, and related considerations, both within and outside of the organization, ought to be discussed with regard to inner characteristics but also considering possible effects. It is noted that determining the relationships between various activities and Financial processes, from a Financial control point of view, is a general and basic issue (Ostman, 2009).

The theory of Financial controls places a natural focus on the organizations such that they are looked at from a number of latitudinal areas. The first relate to the human beings functions of what is accomplished through organizations, their activities and output. The second area involves the structure of the organization and activities, and of transactions and relations that various parties hold with each other. The third latitudinal area covers the control systems being the recurring procedures and methods that are employed to relate present and future functions to resources both externally and internally. The aforementioned Financial control tools are argued to be critical from an individual organization's perspective and also for larger economic systems. The fourth and final latitudinal area shows the specific processes of individual organizations for certain issues.

The theory further states that structure and Financial control system works together (Ostman, 2009). The Financial control theory is very relevant to the present study in that it gives a better understanding of Financial controls which is an important aspect of Financial accountability for project financial sustainability in donor funded projects.

Resource Mobilization Theory

Resource Mobilization Theory was introduced in the 1970s associated with the work of resource mobilization theorists McCarthy and Zald (2007). According to this theory, both prosperity and affluence act to influence societal activities. Therefore, the prosperous organization are able to generate resources which enable resource mobilization to take place (McCarthy & Zald, 2007). The theory holds that organizations do not suddenly emerge, but need resource mobilization so as to succeed whereby resource mobilization entails formation of groups, associations or firms for the agenda of pursuing collective objectives (Lin *et al.*, 2020). The implication is that the fund utilization would greatly affect the financial sustainability of donor funded projects.

The theory stresses on the ability of an organization in mobilization and acquisition of resources and personal in attaining the set organizational goals in the short and long run (Tam & Kiang, 2017). In County governments, the major resource which ought to effectively mobilize are the funds which are essential for sustainability of donor funded projects to be maintained and improved. However, Ludwig and Pemberton, (2019) argue that the theory's main limitation is that it fails to account for how organizations having limited resources are able to succeed as well as bring changes in the society without needing mobilization of resources.

The theory implications to the study is that County government's financial sustainability of donor funded projects depends on how well the County governments mobilize resources. However, sustainable resource mobilization cannot be achieved nowadays since the donors have become more concerned on how the mobilized resources are applied; this requires Financial accountability. If resources are mobilized from large pool of donors who contribute insignificant portions, then they may not be concerned on Financial accountability aspect. The proposition of the theory is that the main determinant of financial sustainability of donor funded projects in the County governments is its resource mobilization and utilization effectiveness. The implication is that emphasis should be laid on the level of resources just as much the accountability required. Hence, Financial accountability in isolation will not affect improve the financial sustainability of donor funded projects in the County governments directly. The fund utilization is therefore a key factor towards the ultimate success and financial sustainability of donor funded projects.

Conceptual Framework

This is an essential tool in research that is meant to help any researcher to come up a brief knowledge for better understanding of the problem under investigation and to be able to communicate the same (Kombo & Tromp, 2019). The variables are as a result of the gap in knowledge on the financial accountability affecting financial stability of County governments in Kenya.

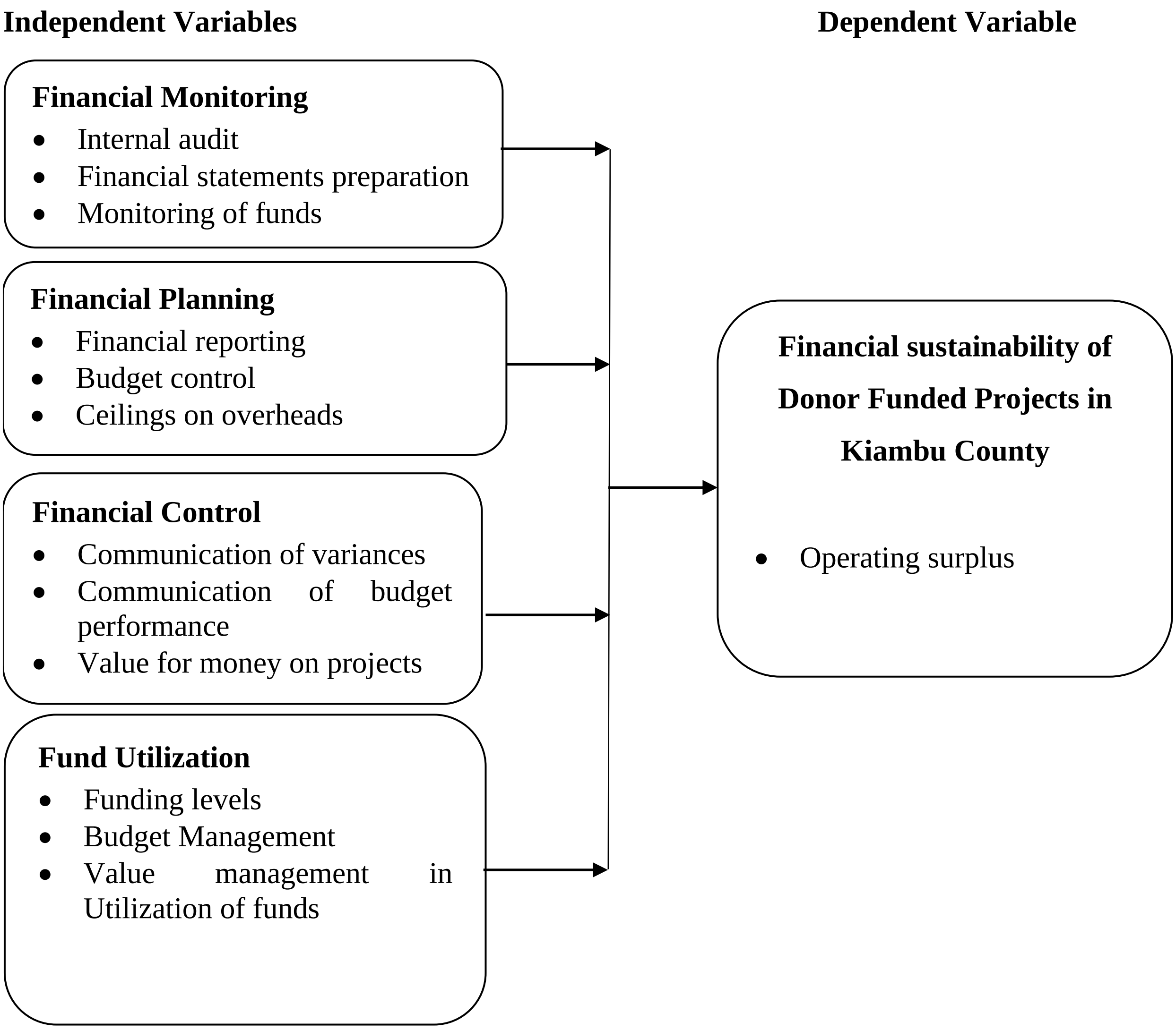

Figure 2. 1: Conceptual Framework

Empirical Literature

Financial monitoring and financial sustainability of donor funded projects

Project monitoring is the continuous and periodic review and overseeing of the project to ensure that input deliveries, work schedules, target output and other required actions proceed according to project plan (Kyalo et al., 2021). Williams (2020) states that monitoring provides management and the primary partners of a turn of events mediation with signs of the extent of progress and accomplishment of anticipated outcomes also, progress as for the utilization of allocated reserves.

Community participation in financial monitoring is defined as the collective examination and assessment of the program or project by the stakeholders and beneficiaries. It takes into account the importance of taking local people's perspective and giving them a greater say in planning and managing the monitoring process. Local people, community organizations and other stakeholders decide together how to measure results and what actions should follow once this information has been collected and analyzed (Gitonga, 2021).

The effectiveness and sustainability of participatory Financial monitoring requires that it be embedded in a strong commitment towards corrective action by communities, project management and other stakeholders in a position to act. Financial monitoring, is particularly important to financial sustainability since it allows an on-going review of project effectiveness (Hodgkin, 2019). Indicators should be monitored to ensure communities are maintaining an adequate Financial monitoring of donor funded projects. Such indicators must be established early in the baseline survey report before the project and used in monitoring activities to assure that actions are carried out when needed. Financial monitoring should involve beneficiaries, giving them the opportunity to decide on the criteria of success and develop an action plan for financial sustainability.

According to Karanja (2018), monitoring enables management to identify and assess potential problems and success of a program or project. It provides the basis of corrective actions, both substantive and operational to improve the program or project design, manner of implementation and quality of results. In addition, it enables the reinforcement of initial positive results. It is a major aspect that cannot be overlooked because it determines the sustainability of any venture or project. According to Standish Group Project Chaos Report (2020), one of the reasons for project failure is lack of project monitoring and control. The success and financial sustainability of any project or program largely depend on constant feedback about project on going activities (Mark, Henry, & Julnes, 2020). Stakeholder analysis is usually used to identify different types and forms of Financial monitoring information demanded by different stakeholders with varying degrees to different types of information in relation to their needs and interests.

Owolabi (2020) studied government accountability and sustainable development. It was observed, as in many other jurisdictions and governments that the governments studied were accountable essentially to the owners or those stakeholders with economic power over their organizations and conducted regular monitoring of application of funds. Not much of the accountability is focused on the stakeholders upon whom the organizations have effects. While Kakumani and Prabhakar (2019) found out that monitoring practices brought about donor confidence and hence affecting level of financing available to the organizations.

Financial planning and financial sustainability of donor funded projects

Shigoli (2018) investigated the factors influencing donor funded projects' strategic implementation of Kenyan donor funded projects with particular reference to International Rescue Committee, Kenya and the study indicated that despite the availability of notable opportunities to enhance how managers are making key decisions on investment, structuring and financing them, large projects often encounter Financial distress. Large project proportion are not meeting their objectives and only 40% of objectives align with the strategy of organization. Donors keep track of their finances to specific expenses and most don't permit their beneficiaries using the money in covering overhead costs (fundraising, human resources and capital costs). Additionally, funders operate with fixed durations for which they are providing finances, it ranges between 1-3 years (Shigoli, 2018). The environment in which projects are operated can be a bit unpredictable and uncertain, and this can indirectly or directly affect the Financial resources that are available for the duration of the project presenting a form of risk that needs to be managed. The study used was descriptive study design targeting 146 individuals and a sample size of 44 respondents. 3 variables were used. However, the current research targeted 224 staffs of the organization with a sample size of 67 participants and 4 variables were used for the research.

Mutinda and Ngahu (2021) examined the Financial sustainability determinants of Nakuru County donor funded projects and the findings suggested that Financial controls' value, as a tool for managing finances depends on their capability in tracking the expenses and disclosing the parts of weakness in Financial planning management system resulting into fund loss. The managers should make sure that their organizations include strong Financial controls in their Financial planning able to curb the possibility of organizational risk given that the funders are sensitive particularly in misappropriations that may result to stoppage of funding. The study drew a conclusion that a crucial role is played by Financial management systems in the donor funded projects sustainability. The study targeted 168 programme managers of 56 donor funded projects in Nakuru, Kenya, with 96 participants being the sample size. However, the current study emphasized on donor funded projects in Kiambu County.

Milelu (2018) examined Financial planning's effect on Nairobi based donor funded projects sustainability and found that the way organizations managed their funds was guided by proper Financial planning policies; the organizations' operations are done depending on budgetary allocations and that the organization periodically review their budgets and any Financial plans to confirm their agreement with the institutional mission. Failure by an organization to properly engage in sound Financial planning can lead it to run the risk of focusing on the daily Financial challenges and this can lead on loss of focus on its long-term Financial goals. This was also consistent with Rono (2021) who opined that dependence on international funding reduces local NGOs independence and ability to set own agendas and which is a common concern for NGOs internationally. The study further, declared that proper Financial planning practices were vital to NGOs for moral reasons and long and short-term plans, so the associations could satisfy their mission and commitments to individuals and partners and additionally accomplish their objectives. He further, argued that sound Financial planning and organizational frameworks will aid in persuading donors that the local NGOs have solid Financial controls that would guarantee that money given would be utilized for the intended purpose. The study population of the research was 80,200 Kenyan NGOs' employees, the study had a sample of 100 participants, analysis of research data was done using quantitative techniques and that study focused on three variables. However, the current study had a sample 67 respondents of 224 employees of NGO in Nairobi, Kenya, the study used qualitative technique and focused on four variables.

Mohamoud and Muturi (2019) investigated factors influencing donor funded projects sustainability in Somalia. The study found out that Financial strategies play a notable role in projects sustainability. They suggested that management capabilities and management factors including Financial planning and proper governance structures positively influence projects sustainability. Further, the sector faced challenges like absence of Financial planning. It further acknowledged that sustainability is enhanced by Financial strategies development and execution and fund allocation for local non-government organization activities. A sample size of 94 staffs was obtained. Puntland state of Somalia based project management team formed the target group, the current study targets employees of all cadres in the organization in Nairobi, Kenya and a sample size of 67 respondents were obtained.

Kristin (2022) investigated Financial sustainability of Canadian donor funded projects and discovered that different donor funded projects employed Financial instruments to cater for future risks that are unexpected like donor withdrawals or Financial shortage. Financial sustainability is being reliant on prudent Financial planning, therefore the Financial standing of donor funded projects must be gauged and reported. Priority is not given to profitability by donor funded projects. Financial planning is the type of Financial information utilized by donor funded projects to help in making decisions. Proper practices of reporting should go past just accounting practices like disbursement and deposit records to add comparing real expenditure against historical spending and budget (Kristin, 2022). The study examined five different donor funded projects operating in three different sectors in Canada, qualitative data analysis was used. However, the current study was based in Kenya and used donor funded projects in Kiambu County.

Financial control and financial sustainability of donor funded projects

Gomez, Alfinito and Albuquerque (2018) in their research cautioned against the high dependency of local government on transfers and grants from central government. They argued that this exposes the local government entities to financial risk and makes local government vulnerable as the high dependency on transfers and grants discourages local government entities from raising their own revenues. This high dependency also reduces discretion when it comes to making decisions and devising policies. The issue of high dependency was also addressed by the National Audit Office (NAO) (2019) in a study conducted on local authorities in Britain. The NAO found that the reduced government funding of local government exposed local government to Financial risk as they were highly dependent on government grants and transfers. The study also noted that with the reduction of funding from central government there was a reduction in service delivery levels. This indicates the clear risks associated with a high dependency on government grants and transfers.

A study conducted in South Africa by Kgabo (2018) examined the effectiveness of finanacial monitoring mechanisms in monitoring Financial resources at the Gauteng Department of Education. The foregoing mechanisms were necessitated by the need to maintain clean Financial reports. The effectiveness of finanacial monitorings was characterized by five key elements. These included control environment, control activities, risk assessment, information and communication, and monitoring. The study established that government departments were required to develop policies that would facilitate better management of public funds. It was further revealed that it was quite complex to implement finanacial monitoring policies. In tandem, it was found that various factors determined the foregoing implementation. They included human capital, technological systems, and also involvement of key stakeholders.

Gomez *et al*., (2018) observed that the size of the donor projects plays an important role in determining its sustainability of donor funded projects. They argued that it is easier to raise revenues from bigger local governments than small governments in terms of size of jurisdiction area and economic scope. This they observed was due to the large tax and revenue base in bigger jurisdiction than the small ones. Therefore, the bigger local governments are less reliant on transfers and grants from national government as compared to smaller local governments. As a result of this and the available skills base, bigger local governments are more likely to manage revenue and expenditure better. The better management of revenue and expenditure is an important function in the sustainability of donor funded projects. This view is also supported by De Visser (2020) who referred to the concept of critical size. The author argues that the size of the municipality affects the quality and quantity of the tax base and revenue base. He further argues that as a result of their size, bigger municipalities are able to introduce the benefits of economies of scale on their spending side as well.

Mbuva (2019) studied an investigation into the factors influencing Financial sustainability of women owned SMEs in Kenya in Machakos County. The study established that government loan accessibility, Financial innovativeness, capital structure and Financial management influence Financial sustainability of women owned SMEs in Machakos County. The study concluded that, on government loan accessibility, women entrepreneurs had positive attitude towards government loan policies, procedures and repayment terms. On Financial innovativeness it was found that entrepreneurship and bookkeeping skills enhanced Financial sustainability of women owned SMEs. On Capital structure, it was concluded that debt financing was preferable to equity capital and the cost of borrowing (interest) influenced Financial suitability on women owned SMEs. Lastly, on Financial management; Financial management skills, management style (management supporting workers with innovative talents) and attendance of entrepreneurship training, business seminar and forums enhanced Financial sustainability of women owned SMEs. The researcher's recommendation was that, government and its agencies should generally extent its efforts towards women affiliated sectors to promote even and quick economic development.

Lambert (2020) evaluated the effect of non-governmental organizations assisting with girls' education in Ghana. The study found that governments were found to be faced with competition for individual donations, foundation funds, and government grants. They were faced by consistent struggle amongst in obtaining funding for the projects that they hoped to complete. As a sector, governments had existed for a long time on a constant influx of new donations, which is manageable as long as they are enough donors for the governments. The study recommended that for governments to gain credibility from financers, they should be accountable by adopting appropriate Financial controls and partner with an established government or gain sponsorship from a well-known organization.

A local study conducted by Njeru (2019) sought to examine the effects of aid on government fiscal behavior. The study assessed the fiscal response models in an attempt to analyze the effect of aid on various components of government revenue and expenditure. In this respect, the fact that aid is fungible. This implies that aid can be used to fund activities that the recipient government intended to finance in its absence. This has made researchers to examine the extent to which the freed up government resources have been used elsewhere to finance for example, consumption, and debt servicing or tax reductions. This has to some extent been linked with possibilities for creating opportunities for corruption as the freed up resources are not directed to their intended objectives.

Moreover, another study conducted by Wakiriba, Ngahu and Wagoki (2019) evaluated the effects of Financial controls on Financial management in Kenya's public sector. The study centered on National Government departments in Mirangine Sub-County in the greater Nyandarua County. A descriptive research design was adopted. The study found that there was an effective finanacial monitoring systems that encapsulated clear separation of roles, supervision, and commitment of the management. It was also established that there were weaknesses in the implementation of Financial controls. The foregoing was alluded to lack of extending the internal audit function to all departments.

Fund utilization and financial sustainability of donor funded projects

Donor policies can be important because they influence how contracts are prepared, the duration of funding, and what is funded (Australian Government's Overseas Aid Program, 2020). To understand the factors influencing project sustainability, there is a need to monitor the important aspects of project financial sustainability. This can be achieved through monitoring of net income: the surplus of revenue over expenses, and liquidity; which is the ability to meet the cash requirements of pay bills, and relationship between assets and debts. Secondly, there is need for the stakeholders to appropriately recognize and share the benefits. Organizations have many stakeholders including community leaders. The role of stakeholders is a critical in the promotion of sustainability. Financial sustainability cannot be achieved without their involvement and support. Stakeholders should actively participate to influence the direction and detail of design and implementation. Allocating adequate time and resources for participatory analysis and responding to demand-led approaches are important ways to improve participation.

An evaluation of Welthungerhilfe, an International NGO operating in Tana River County, Projects funded by GiZ and USAID found that short-term projects cannot ensure sustainable capacity building of important organizational structures within target groups (Dirk, 2021). The integration of poverty reduction measures (capacity building) into the emergency program has convinced and motivated the beneficiaries to participate actively in the programme execution and has engaged people in self-development efforts, which in turn has increased ownership. Programmes should be aware of adverse external factors and take into account unfavorable periods for starting and financing activities. Projects should also deliberate the harmonization and alignment of rules and procedures of monitoring and reporting.

Availability of donors or funding sources has been identified as one of the external factors that influence financial sustainability (Hodgkin, 2019). Insufficient financing is a major factor in poor maintenance which, in turn, is often cited as a reason for project failure. Project benefits will not be produced without adequate resources; Financial, human, natural, and technical to sustain them. Financial, and often human and technical resources, benefits cannot continue post project unless resources have been transferred to or can be acquired by the appropriate host country organizations (Oregon, 2020). Insufficient financing is a major factor in poor maintenance which, in turn, is often cited as a reason for project failure. The commitment of resources, particularly Financial resources, by beneficiary communities is seen as an important indicator of the expected value of the project to these communities. When communities recover from costs or stabilize in raising funds for maintenance, it contributes to sustainability by increasing resources and expanding benefits. Beneficiary contribution to capital costs, either labor or money, may be a significant indicator of system sustainability. However, a willingness to contribute to capital expenditures, in cash or in-kind, does not on itself ensure sustainability.

Critique of Existing Literature

The contribution made by various authors in this study is considered to be beneficial in the sense that helps both the researcher and the reader to make concrete resolution regarding issues that are to be discussed in the consequent section. However despite finding their contribution helpful, the researcher feels there are few areas that need to be argued about to identify how their contribution can have a full effect in this study.

Nyabwanga (2019) conducted a study to assess the effect of Financial control measures on the sustainability of donor funded projects in Kisii South District. The study found that Financial control measures were low amongst businesses as majority had not adopted formal Financial control routines and their sustainability of donor funded projects on average remained low. A similar study was conducted by Nyakundi (2019) on the influence of Financial control measures on sustainability of donor funded projects in Machakos Sub-County, Kenya. However this study found that most organizations had adopted the Financial control measures in their firms.

Onduso (2020) conducted a study on the effect of Financial planning on sustainability of donor funded projects in Nairobi County. The study used ceilings on overheads to measure sustainability. A similar study was conducted by Mwaura (2010) on the participatory budget setting and budget commitment as a factor that affects sustainability of the NSE listed companies.

Shardeo (2020) conducted a study on effect of Financial transparency on the sustainability of donor funded projects. The study used secondary data. A similar study was conducted by Onyango (2017) conducted a study on effect of Financial transparency on the operating margin ratio, a case of large supermarkets in Nairobi but used primary data.

Summary of Literature Review

Numerous studies have been done relating to County Governments in the light of the sustainability pressure facing County Governments with stakeholders demanding that the Counties be Financially accountable. Majority of County Governments in Kenya rely on national government funding, revenue collected, donor funding and hence, failure to comply with the donors and stakeholders needs will lead to them being Financially unsustainable. Further, County Government's environment in Kenya is changing leading to the question on whether the so demanded Financial accountability will lead to their sustainability of donor funded projects.

Theoretical review puts conditions on the expected relationship between Financial accountability practices and sustainability with resource mobilization theory indicating that the relationship will depend on the County Governments main source of funding. Fraud theory on the other hand does not show clear relationship between Financial accountability practices and sustainability and only highlights reasons why people engage in fraud. Further, empirical literature available does not offer conclusive evidence on the relationship. The most related study is that by Mbugua (2018) that established a positive relationship between County Government's Financial accountability level and performance. However, the performance measures used do not imply that the studied County Governments were Financially sustainable. Additionally, County Governments are not profit making entities and hence most of the performance measures are non-Financial. With the knowledge of the literature reviewed, this study was set to bridge the existing gap by establishing the effect of Financial accountability on financial sustainability of donor funded projects in Kiambu County, Kenya.

Research Gaps

The research gaps are identified after an objective critique of local studies and in relations to the study objectives. An empirical study conducted by Okelo *et al.,* (2020) observed that there exist a positive relationship between budget deficits and economic growth. This study, however, did not clearly address the aspect of budget management given that budget deficit is only a part of the budget management. Moreover, the study did not focus on county governments. A later study by Kamolo (2019) emphasized the need for county governments to collect much revenue by way of taxes in order to address the increasing Financial expenditures budgeted by the county government. This study did not address budget management in relation to financial sustainability of donor funded projects.

A study by Njeru (2019) examined the effect of aid on government fiscal behaviour. The study noted that there were possibilities for creating opportunities for corruption because the freed up resources were not directed to their intended objectives. This study fell short of being explicit in respect of Financial controls in devolved governments. A study by Wakiriba *et al.,* (2019) found that hat there were weaknesses in the implementation of Financial controls. However, this study centred on national government departments as opposed to county governments. In addition, these two studies did not address the aspect of financial sustainability of donor funded projects in county governments in Kenya.

A study conducted by Mwega (2019) analyzed how foreign aid has been erratic in terms of commitments and unpredictable in terms of both the timing and the volume of funding. The study noted that donors may use aid to advance a political agenda driven by the political concerns of their domestic electorates which vary over time. The study further revealed that unpredictable aid flows do little to bolster good governance, coherent government expenditure, or the development of sound institutions accountability in recipient countries. The study, nonetheless, did not address the issue of governance and accountability in respect of county governments. Neither did it examine how the both governance and accountability affect sustainability of donor funded projects. The identified research gaps in respect of budget management, value management, Financial controls, and governance and accountability in relation to financial sustainability of donor funded projects in county governments will be address forthwith.

RESEARCH METHODOLOGY

This chapter presents the methods that was used in collecting and analysing the data which enabled the study reach its pre-set research objectives. The chapter is outlined into research design, population, sample size and sampling techniques, data collection procedure and data analysis technique.

Research Design

This research study adopted a descriptive survey approach on the relationship between financial accountability practices and sustainability of donor funded projects in Kiambu County, Kenya. The researcher chose Kiambu County as the case study. The descriptive design was deemed appropriate because the main interest is to establish the relationship and analyze how the factors supported matters under analysis in one organization. According to Kothari (2019), a descriptive study is concerned with finding out the what, where and how of a phenomenon. Descriptive research design is chosen because it enabled the researcher to generalize the findings to a larger population.

According to Mugenda and Mugenda (2012) it is important and appropriate to use data where subjects are observed in either natural set ups without manipulating the environment. It can be used when collecting information about people’s attitudes and opinions. It is an efficient way to obtain information needed to describe the attitudes, opinions and views of management and employees in the organization on the effect of financial accountability on financial sustainability of donor funded projects in Kiambu County, Kenya.

Population

According to Dawson, (2019) study population comprises of those people, events, or records that contain the desired information and can answer the measurement questions, thus guiding the study on whether a sample or a census is desired. The target population was 360 management and employees of Kiambu County from the 12 sub-Counties in Kiambu County. Kiambu County was targeted and the head office and sub county staff who work on donor funded projects formed the target population. This population provides a significant representation of the whole Country Kenya.

Table 3. 1: Target Population

Category	Population	Percentage
Top level officials	36	10
Middle level officials	72	20
Sub County heads	252	70
Total	**360**	**100**

Source: County Government of Kiambu (2023)

Sampling Frame

A sampling frame is the source material or device from which a sample is drawn. It is a list of all those within a population who can be sampled, and may include individuals, households or institutions (Chandran, 2019). Dawson (2019) defines a sampling frame as the list of elements from which a sample was drawn. A sampling frame provides a means for choosing the particular members of the target population that are to be interviewed in the survey. The sampling frame of this study was the head office officials and Sub County heads of Kiambu County.

Sample and Sampling Technique

Sampling Technique

In this study stratified and simple random sampling was used to select the objects that represent the population. There are often factors which divide the population into sub-populations. This has to be accounted for when we select a sample from the population. In order for us to obtain a sample that is a representative of the population stratified method of sampling will be used. A stratified sample was obtained by taking samples from each stratum or sub-group of a population. A population with several strata, was required to have the proportion of each stratum in the sample, this was the same as in the population. Using this method, the sample was divided into different strata's at the organization hereby the divisions were according to their status. Its advantages is that; the cost per observation in the survey was reduced, and that estimates of the parameters was used for each sub-population. In addition to that, the sampling method ensured that all members of the population were included in the study. A random sample was preferred because it is free from bias and therefore each unit had a chance to be included in the sample.

Sample Size

This is a survey and therefore the researcher studied the management and employees of Kiambu County who are involved in donor funded projects. However, from the possible 360 target population, stratified random sampling was employed to select head office officials and sub county heads from target population where a total of 189 sample population was selected. This is 52.5% of the total population. Kothari (2019) argues that if well chosen, samples of about 30% of a population can often give good reliability findings. In addition, Mugenda and Mugenda (2012) states that in stratified sampling where population within each strata is known, a sample of 52.5% is adequate representation for data collection. The head office officials and sub county heads were deemed suitable for the study as they have better knowledge and awareness on the issue at stake and can provide specific information from a management perspective. This study utilized Yamane's formula to compute the sample as demonstrated as follows:

$$n = \frac{N}{(1 + N(e)^2)}$$

Where n = sample size

N = population of the study

e = level of significance (5% level of significance)

N = target population = 360

Applying the formula, $n = \frac{360}{1 + 360\,(0.05)^2}$

$n = 189$

Sample Size = 189

Table 3. 2: Sample Size

Category	Population	Sample Ration	Sample Size
Top level officials	36	0.525	19
Middle level officials	72	0.525	38
Sub County heads	252	0.525	132
Total	**360**	**0.525**	**189**

Source: County Government of Kiambu (2023)

Research Instruments

According to Cox (2019) there are many methods of data collection. The choice of a tool and instrument depends mainly on the attributes of the subjects, research topic, problem question, objectives, design, expected data and results. This is because each tool and instrument collect specific data. Primary data was gathered directly from respondents and for this study the researcher used a questionnaire. The questionnaire consisted of close and open-ended questions. The research instrument was organized based on the objectives of the study. The questionnaire consisted of two sections, where the first part mainly contained information on the background of the respondents which was the gender, age and years of experience. This enabled the researcher to know the nature of the respondents, while the second part focused on the effect of financial accountability on sustainability of donor funded projects in Kiambu County, Kenya. This enabled the researcher to be in a position to analyze the effect of financial accountability on financial sustainability of donor funded projects in Kiambu County, Kenya and any other factor not mentioned in the study.

Data Collection Procedure

According to Kombo and Tromp, (2019) there are many methods of data collection. The choice of a tool and instrument depends mainly on the attributes of the subjects, research topic, problem question, objectives, design, expected data and results. This is because each tool and instrument collect specific data. Primary data was gathered directly from respondents and for this study the researcher used a questionnaire. The questionnaires consisted of close and open-ended questions. The research instruments were organized based on the objectives of the study. The researcher administered a survey instrument (questionnaire) to each member of the sample population. The questionnaire consisted of two sections, where the first part mainly contained information on personal background which was the gender, age, marital status and level of education. This enabled the researcher to know the nature of the respondents, while the second part focused on the influence of the effect of financial accountability on financial sustainability of donor funded projects in Kiambu County, Kenya. This enabled the researcher to be in a position to analyze the effect of financial accountability on financial sustainability of donor funded projects in Kiambu County, Kenya and any other factors not mentioned in the study.

Uma (2019) believes that questionnaires are especially valuable because they are efficient in terms of researcher time, researcher effort, and Financial resources. Although, Uma also examines the major drawbacks of questionnaires: the simplicity of answers yielded, the problem of respondents who are unmotivated or unreliable, the famous halo effect, the acquiescence and prestige biases, issues concerning self-deception and respondent literacy, and the effect of fatigue in cases where the questionnaire is long. In order to meet the research objectives, the research will use both structured and semi structured questionnaires.

The closed ended questionnaire items included in order to limit irrelevance to the questionnaire objectives. According to Bailey *et al.*, (2018) questionnaires make each respondent respond to the set of questions and provide efficient way of collecting responses from a large sample prior to the quantitative analysis. Accordingly, in applying descriptive design, primary data was essential for purposes of comparison especially with reviewing what one respondent says compared to another.

Pilot Test

The pilot study aims to test the reliability of the questionnaires. According to Kirk and Miller (2019), a pilot test is necessary for testing the reliability of data collection instruments. Cox (2019), explains the reliability of research as determining whether the research truly measures that which it is intended to measure or how truthful the research results are. A pilot study has been conducted to detect weaknesses in design and instrumentation and to provide proxy data for the selection of a sample.

According to Connelly (2018), extant literature suggests that a pilot study sample should be 10% of the sample projected for the larger parent study. However, Hertzog (2018) cautions that this is not a simple or straight forward issue to resolve because these types of studies are influenced by many factors. Nevertheless, Hill (2018) suggested 10 to 30 participants for pilots in survey research; Julious (2020) in the business field, and van Belle (2017) suggested 12; Treece and Treece (2017) suggested 10% of the project sample size. I would say that 10 would be a minimum, and 24 might be considered in our research since the sample size is expected to be 189 participants. The study conducted a pre-test on the lecturer, a business student and a supervisor in the county government. A pilot test was conducted on 19 staff of the 12 sub counties in Kiambu County.

Validity of Findings

Mugenda and Mugenda (2012) define validity as the degree to which results obtained from the analysis of the data represent the phenomenon under study. Validity also refers to the degree to which an instrument measures what it purports to measure (Mugenda, 2012). This study adopted content validity test. In order to ensure internal validity and control measurement errors, the data collection instruments were reviewed by the researcher for the content and validity. Fisher (2019) states that validity determines whether the research truly measures that which it is intended to measure or how truthful the research results are. Regarding the validity, the responses obtained from pilot study participants demonstrated that indeed the data collected met the actual areas of study. This was attained through content validity by obtaining views from my supervisor who asserted that the questions asked were suitable and represented well the area of study.

The questionnaire was subjected to face validity to the 19 targeted respondents representing 10% of the sample size to pilot test its sequence, wording, ease of questions and instructions as well as contents, their remarks were noted. 13 out of the 19 respondents did agree that the questionnaires issued to them were easy in terms of the instructions, contents and questions being asked. They fully understood what was being asked of them and they did not require any assistance. However, 6 out of the 19 respondents had difficulties in understanding some the questions that were being asked of them particularly the questions on fund utilization. Therefore, slight changes have been made in the questionnaire on questions on fund utilization. All the respondents did agree that indeed the sequence of the questions in the questionnaire were undertaken well and required no changes.

Reliability of Research Instruments

Reliability is the consistency of measurement (Bollen, 2019), or stability of measurement over a variety of conditions in which the same results should be obtained. Cronbach's alpha a coefficient of reliability that gives an unbiased estimate of data generalizability was used to test the reliability of the answered questionnaires. Some adjustments will be made in the structure, chronology, and wording based on their recommendations. The instruments were pilot tested by randomly selected groups of employees and management by sending questionnaires to some selected sample respondents and then the information acquired was evaluated to assess its reliability. In the pilot study of 19 participants reliability test was carried out and reliability and validity test of questionnaire was undertaken. The results of the reliability test were as follows:

Table 3. 3 Reliability Test Results

Items	Cronbach's Alpha	Decision
Financial Control	.88	Reliable
Financial Monitoring	.77	Reliable
Financial Planning	.97	Reliable
Fund utilization	.70	Reliable

From the Table 3.3 above, all the variables alphas on Financial control, Financial monitoring, Financial planning and fund utilization were found to be above 0.70 indicating relative high reliability. Financial control was represented by 0.88, Financial monitoring was 0.77, Financial planning had 0.97 and fund utilization had 0.70. Therefore, it can be concluded that the questionnaire was reliable as it is above the 0.7 threshold prescribed in literature. (Brain & Manheim, 2019).

Data Processing and Analysis

Once the questionnaires are administered, the raw data was systematically organized to facilitate analysis. The data was cleaned, coded, keyed-in using Statistical Packages for Social Sciences (SPSS) version 22. Quantitative data was analyzed through both descriptive statistics (percentages, frequencies, mean and standard deviation) and inferential statistics. This involved multiple regression analysis and spearman's rank correlation co-efficient tests. Tables, Pie charts and other graphs was used as appropriate to present the data collected for ease of understanding and analysis. Explanations to the tables and graphs and analysis of the content matter on open-ended questions was done in prose. The research adopted the following regression model.

$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$

Where,

Y = Sustainability of Donor Funded Projects

X_1= Financial Monitoring

X_2= Financial Planning

X_3= Financial Control

and X_4 = Fund utilization

$\boldsymbol{\beta_0}$ = regression intercept,

$\boldsymbol{\beta_1}$, $\boldsymbol{\beta_2}$, $\boldsymbol{\beta_3}$ $\boldsymbol{\beta_4}$, = coefficients while Ɛ is the error term. The regression model elaborated the effect of financial accountability practices on sustainability of donor funded projects.

RESEARCH FINDINGS

This chapter presents the outcomes and discussions derived from the data collection tools employed in the study. The research utilized a combination of inferential analysis and descriptive statistics to examine the gathered data. The chapter also provides an explanation of the response rate, descriptive analysis, demographic details of the participants, and the process of inferential analysis.

Response Rate

The study focused on a sample of 189 respondents, including Top-level officials, Middle-level officials, and Sub County heads. Out of the total number of questionnaires distributed (189), the researcher received 147 questionnaires that were duly completed and ready for analysis. This represented a response rate of approximately 77.94 percent, which is higher compared to similar studies with the same research design. For instance, Kamau and Mwenda (2020) achieved a response rate of 68.9 percent, Kananu and Njuguna (2021) achieved 75.9 percent, and Odenyo and Rosemary (2018) achieved 53 percent. Notably, statistical experts like Mugenda and Mugenda (2012) recommend a minimum questionnaire completion rate of 50 percent for conducting in-depth analysis in this type of study. Therefore, the completion rate in this study was considered sufficient to proceed with data analysis in alignment with the study objectives.

Demographic Information of the Respondents

The arithmetic information of the respondents involved in this study is expressed in this chapter. Various aspects are covered under this section including organization of the respondents by gender, distribution of the respondents by age, highest academic qualification and number of years the respondents have been working in the organization.

Distribution of the Respondents by Gender

Gender distribution was a very important area for this study so as to determine if the Kenyan Constitution's (2010) rule of gender was achieved. The said constitution requires that all public and private entities to ensure that they meet the two-third gender rule. The findings of the study were that of the 147 interviewees who took part in the study, 111 (75.5%) turned out to be male whereas 36 (24.5%) were female. Figure 2 illustrates this.

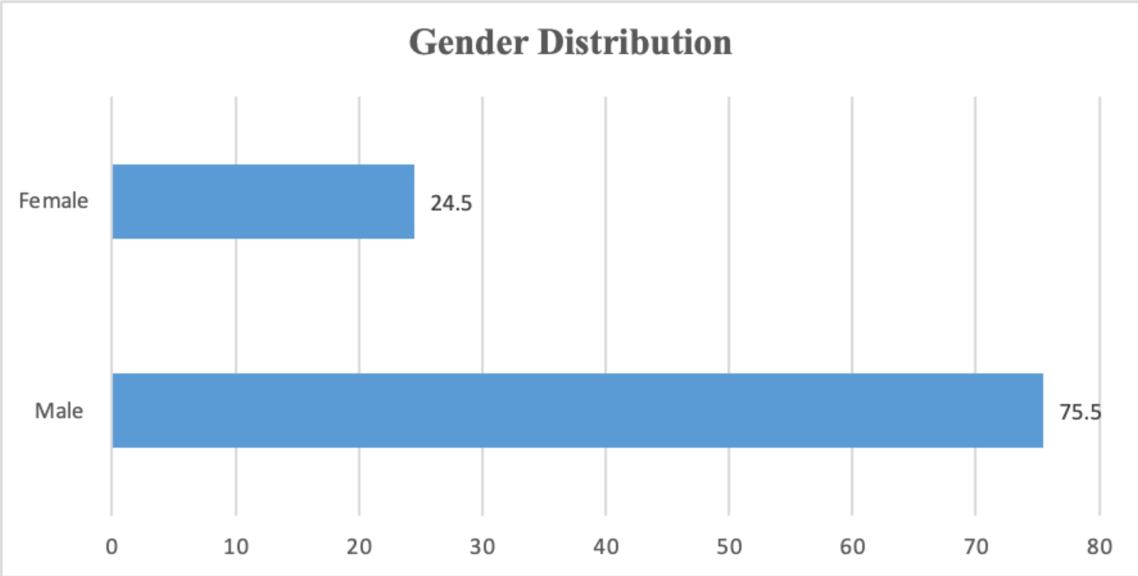

Figure 4. 1: Gender Distribution

The presence of a significant gender disparity in the finance and management sector of the organization is evident, indicating a failure to meet the gender balance requirement outlined in the two-third gender rule for both the public and private sectors. Similar findings were also observed by Kananu and Njuguna (2021), who discovered that locally owned building and construction firms also fell far short of meeting the two-third gender rule. However, it is important to note that the gender disparity identified was determined to have no impact on the findings of the present study.

Distribution of the Respondents by Age

Age was put into consideration when explaining the experience required in Financial Accountability in any organization as most authors have found age to be related to the experience possessed by the staff or workers. The study was aimed at determining the age distribution of the respondents at Kiambu County. Table 4.1 presents the results.

Table 4. 1: Respondents Age Distribution

Age	Frequency	Percent
18-30	36	24.7
31-40	54	36.6
41-50	28	18.9
Above 50	29	19.8
Total	**147**	**100**

The findings established that (24.7%) of the respondents were aged 18 to 30 years, (36.6%) were aged 31-40 years, (18.9%) were aged 41-50 years. According to the study, a large number of the interviewees were aged between 31and 40 years.

Respondents Academic Qualification

Education is very key to this study as many scholars have pointed out on the need of educated and qualified people in management of programs or projects. Robinson and Pearce (2014) and Abok (2013) have noted the need of having qualified personnel in terms of academic qualification and also the required skills in the management of programs or projects. The study's aim was to investigate the respondents' highest academic qualification. The findings are as depicted in the below table 4.2.

Table 4. 2: Respondents Highest Academic Qualifications

Academic Levels	Frequency	Percent
Certificate	0	0
Diploma	0	0
Degree	83	56.6
Post-Graduate	64	43.4
Total	**147**	**100**

The findings indicate that all participants in the study possessed at least a degree, with 83 individuals (56.6%) holding undergraduate degrees and 64 individuals (43.4%) having postgraduate degrees. It is worth noting that Kenani and Bett (2018) suggest that higher educational qualifications have a positive impact on Financial accountability, leading to improved Financial sustainability. However, Somathalike (2018) presents contradictory findings regarding the relationship between educational qualifications and Financial management. Nevertheless, it is advisable for organizations to ensure that their personnel possess the necessary skills and educational qualifications, preferably at least a bachelor's degree, to effectively manage various departments within the organization (Ochuodho & Ngaba, 2020).

Number of the Years Respondent has been working

This question investigated how long the respondents had been working under the same. Table 4.3 shows the results.

Table 4. 3: Number of years working under same capacity

Number of Years Worked	Frequency	Percent
Less than 5 years	37	25.4
5-10 years	50	33.4
11-15 years	37	25.4
More than 15 years	23	15.8
Total	**147**	**100**

It was revealed that 37(25.4%) of the respondents had worked at for less than five years, 50(33.4%) had worked for 5 to 10 years while only 37(25.4%) had worked between 11 to 15 years and 23 (15.8%) had worked for a period exceeding 15 years in the organization under the same capacity in the financial accountability department. Omolo (2015), Abok (2013), Ochuodho and Ngaba (2020) emphasizes on the need of retaining the employees so that they are able to have enough experience and skills which are very crucial in financial Sustainability of donor funded projects in Kiambu county, Kenya and also effectively running and coordinating various departments within organizations. A large number of the people had worked on average of 5 to 10 years therefore, the study deduced that they were fairly experienced and were able to effectively and efficiently run and manage various financial accountability practices in the organization.

Descriptive Statistics

To best describe the basic data features used in the study, detailed descriptive analysis of each variable under this study was done. The study was geared towards manifesting the effect of Financial monitoring and financial sustainability of donor funded projects in Kiambu County, Kenya.

Financial Control

The study's intent was to establish how Financial sustainability of donor funded projects in Kiambu County, Kenya is affected by Financial Control. For this objective to be achieved, the study required the respondents to demonstrate how often they were involved in the Financial Control. The findings are as shown in Figure 4.2.

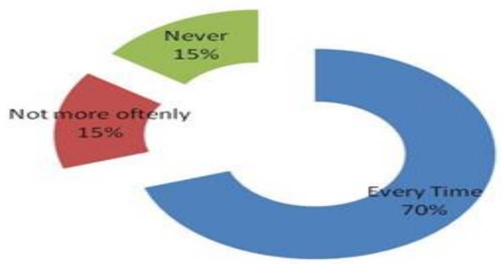

Figure 4. 2: Involvement in Financial Control

The findings indicate that 70 percent of the respondents agreed that they were every time involved in Financial Control whenever it was being done within 15 percent stating that they were not more often involved while another 15 percent stated that they were never involved in the Financial Control. This was a positive finding as the respondents formed the largest percentage of the employees who participated in financial management in the organization, hence it is key to ensure they are involved in the Financial Control. The respondents were further required to rate how extensively the various budget control measures were achieved in the organization. The findings are as displayed in Table 4.4

Table 4. 4: Financial Control

Statement	N	Mean	Std.Deviation
Organization develops Financial timetables and allocate budget preparation responsibilities	147	4.36	0.762
Financial bids evaluated in to ensure there is alignment with the organizations priorities	147	4.26	0.944
The senior management team is involved in Financial planning process	147	4.12	0.762
Original budget constantly reviewed to meet the emerging un foreseen issues	147	4.09	0.986
Department estimates always cross-checked by the planning to avoid anomalies	147	3.72	0.455
Composite Mean and Standard Deviation		4.11	0.782

The findings illustrate that the financial sustainability of donor funded projects in Kiambu County, Kenya was able to develop budget timetables and also allocate budget preparation responsibilities to the budgetary committee, mean and standard deviation (M=4.36; SD= 0.762). The organization was also able to evaluate budget bids to ensure that they were aligned with the organization priorities, mean and standard deviation (M=4.26; SD=0.944). The organization was able to involve senior management team in budget planning process, mean and standard deviation (M=4.12; SD=0.762) and the organization frequently reviewed the original budget in order to meet the unplanned emerging issues, mean and standard deviation (M= 4.09; SD=0.986). The estimates submitted by various departments were also cross-checked by the planning department to avoid anomalies mean and standard deviation (M= 3.72; SD= 0.455). The findings had very small standard deviations an indication that the responses had very minimal disparities.

The overall composite mean and standard deviation was (M=4.11; SD=0.782), an indication that financial sustainability of donor funded projects in Kiambu County, Kenya widely practiced Financial Control in their Financial accountability. This was achieved by the organizations ability to ensure that there was competency and involvement of all the concerned persons in the budgetary process, there was budgetary planning, the original budgets could be revised, senior management team was involved in Financial Control, there was crosschecking of the estimates presented by the departments to avoid anomalies. The findings could positively affect the organization’s Financial sustainability. The findings are in line with Kang’aru and Tirimba (2018) who note that it is important for any organizations who dream of improving their financial sustainability to ensure that they prepare their budgets in time, regularly look into the budget plans and also evaluate budget performance frequently.

Financial Planning

The study also aimed to determine how financial sustainability of donor funded projects in Kiambu County, Kenya is affected by financial planning. The study’s intent was to find out whether the financial reports reflected the true picture of the projects implementation at Kiambu County. In response to the statement, 47.2% agreed that financial reports reflected the true picture of the projects implementation to a very great extent while 52.8% rated it at a great extent. This implies that financial reports actually reflected the true picture of the projects implemented at Kiambu County. On the review of financial reports at Kiambu County, 43.4% agreed that they were reviewed monthly while 56.6% agreed that it was done on quarterly basis. This might have a positive influence on financial sustainability since the Wandera and Sang (2017) points out that frequent review of financial reports may have positive influence on NGOs Financial sustainability. The study’s further intent was to determine to what extent measures of financial planning had been achieved at Kiambu County. The results of this are as below.

Table 4. 5: Financial planning

Statement	N	Mean	Std.Deviation
Financial reports are submitted to the relevant stake holders and donors in the right format and timely (within 3 months from end of Financial year)	147	4.27	0.5
The performance reports and activity are analyzed and measured based on the allocated budget	147	4.1	0.749
Monthly Financial statements are availed before the end of the following month	147	4.19	0.735
The process of Financial planning is clear and very easy to understand for the members of the organization	147	4.17	0.826
The senior project supervisors regularly meet to review various Financial reports to ensure that implementation process is met	147	4.3	0.696
Composite mean and standard deviation		4.21	0.701

The above table 4.5 indicates that financial reports were submitted to the relevant stake holders and donors in the right format and timely and usually within three months from end of Financial year, with mean and standard deviation (M=4.27; SD=0.500). The performance reports and activity at Kiambu County were also analyzed and measured based on the allocated budget, mean and standard deviation (M=4.10; SD=.749). The study also found out that monthly financial statements were availed before the end of the following month, with mean and standard deviation (M= 4.19; SD= 0.735) and that the financial planning process was clear and easy to understand for the members in the organization with mean and standard deviation (M=4.17; SD=0.826). The study finally established that the senior project supervisors regularly met to review various financial reports to ensure that implementation process was met, mean and standard deviation (M=4.30; SD=0.696). The overall composite mean and standard deviation was (M= 4.21; SD=0.701), an indication that financial planning practices among them being financial disclosure, Financial reviews, analyzing Financial reports among others were widely and very well applied in the Kiambu County Financial management process. The findings indicate that financial planning may have a positive effect on the Financial sustainability at Sustainability of donor funded projects in Kiambu County, Kenya since Demba (2018) discloses that reporting on Financial matters as well as tracking by maintaining accurate records, managing data, having accounts experts and communicating Financial information has an effect on the performance and hence Financial sustainability to a very high extent.

Financial monitoring

This objective of the study focused on finding out to what extent financial monitoring affects financial sustainability of donor funded projects in Kiambu County, Kenya. In this regard, the study first sought to find out how various aspects of financial monitoring measure had been achieved in the departments. The questions required respondents to rate to what extent the accounting department was separate from the cashier department. 13.2% agreed that they were separated to a very high extent, 18.9% agreed to a high extent, 15.1% rated it at a moderate extent, 24.5% rated at low extent while 28.3% rated at very low extent. This implies the majority 52.8% agreed that the accounting department was not separated from the cashier department. On the question regarding how frequently the monitoring of project funds was carried out 13(24.5%) of the respondents agreed that it was done on monthly basis, 35(66%) said it was done on quarterly basis while 5(9.4%) said was done on the annual basis. A great number of the respondents were therefore in concurred that monitoring of the project funds was carried out on quarterly basis, implying that proper control measures had been put in place. The study's findings also concur with those of Mengesha *et al.* (2015) who note that for the successful management of organization, proper financial monitoring system must be in place with required budgeting and has also to be monitored by an effective board. The study further sought to determine how the organization achieved the various measures of financial monitoring. This is shown below.

Table 4. 6: Financial monitoring

Statement	N	Mean	Std. Deviation
The organization selects an independent auditor to do annual audit	147	3.73	0.575
The annual audit is reviewed for financial monitoring and in compliance with the government regulations	147	4.08	0.657
The organization's cash is adequately safeguarded within the organization	147	3.67	0.665
All the transactions in the organization are receipted and recorded in appropriate ledger books	147	3.75	0.434
There are appropriate measures set to ensure the organization resources are safeguarded from corruption and wastage	147	4.13	0.775
Composite Mean and Standard Deviation		3.87	0.621

A good number of respondents concurred that to a very great extent that the organization selects an independent auditor to do annual audit with mean and standard deviation (M=3.73; SD=0.575). The annual audit was also reviewed for financial monitoring and in compliance with the government regulations to a great extent, standard deviation and also the mean (M=4.08; SD=0.657). The study also exhibited that a good number of the respondents were in unison that a very great extent that the organizations cash was adequately safeguarded within the organization with mean and standard deviation (M=3.67; SD=0.665). All the transactions in the organization were receipted and proper records done in the ledger books, mean and standard deviation (M=3.75; SD=0.434). The study further established that the organization had placed several appropriate measures in place which ensured that the organizations resources were safeguarded from corruption and wastage, mean and standard deviation (M=4.13; SD=0.775).

The overall composite mean and standard deviation was (M=4.59; SD=0.621), an indication that various financial monitoring measures were widely applied in the running and management of various functions and departments at financial sustainability of donor funded projects in Kiambu County, Kenya. Financial monitoring has been considered as one of the key areas whenever establishing the Financial sustainability in any organization. Although the impact of financial monitoring on performance or financial sustainability has been found by Demba (2018) to be very minimal and hence negligible, Mengesha *et al.* (2015) note that it has to be attained for organizations to attain financial stability and its influence on the organization stability cannot be compromised.

Fund utilization

The study also sought to determine how financial sustainability of donor funded projects in Kiambu County, Kenya is affected by Fund utilization. This objective required the respondents to rank the various measures of financial control in Kiambu County. The results of these findings are illustrated in Table 4.7.

Table 4. 7: Fund utilization

Statement	N	Mean	Std. Deviation
The organization has enough competent finance staff with qualification to carryout Financial management in the firm	147	4.66	0.478
The organization has internal monitoring and evaluation team that carry out constant monitoring of projects with respect to finances allocated and give out reports and proper measures to be taken		4.13	1.075
The risks are assessed prior to implementing the projects	147	4.21	0.968
Donors/financers review Financial management activities more frequently	147	4.4	0.968
There is a good control environment in the organization	147	4.32	0.728
Composite mean and standard deviation		4.34	0.843

The findings indicate that a large number of the respondents greatly agreed that the organization had enough competent finance staff with qualification to carry out Financial accountability in the organization with mean and standard deviation (M=4.66; SD=0.478). Kiambu County has internal monitoring and evaluation team that carry out constant monitoring of projects with respect to finances allocated and give out reports and proper measures to be taken by the management, mean and standard deviation (M=4.13; SD=1.075). The study further established that the risks were assessed prior to implementation of the projects in the organization to a great extent, mean and standard deviation (M=4.21; SD=0.968) and also the financers frequently reviewed the Financial accountability activities in the organization, standard deviation and also the mean (M=4.40; SD=0.968). Finally, the study established that there was a good control environment in the organization with mean and standard deviation (M=4.32; SD=0.728).

The overall composite mean and standard deviation was (M=4.34; SD= 0.843), which implies that a significant number of the respondents concurred that Financial control measures had been achieved in the organization to great extent. Based on the findings from the study conducted by Chelangat *et al.* (2018) proper financial control practices in an organization may positively influence the financial sustainability. Since several financial control practices were being well practiced in the organization, they may have a huge contribution towards the in Kiambu County Financial sustainability.

Financial Sustainability

Furthermore, the study's intent was to determine the financial sustainability of the Sustainability of donor funded projects in Kiambu County, Kenya for the period between January 2020 to December 2022. The findings are outlined in Table 4.8

Table 4. 8: Financial Sustainability

Statement	N	Mean	Std.Deviation
The organization has a high level of planning Financial activities	147	4.28	0.717
There is high level of Financial resilience in the organization	147	3.45	0.952
The organization can survive for more than five years without major Financial Challenges	147	2.81	1.039
The organization constantly has surplus of income after spending	147	2.47	0.668
Composite Mean and Standard Deviation		**3.25**	**0.844**

Source: Research Data (2023)

The findings indicate that there was a satisfactory level of planning on the Financial activities for the period between January 2020 and December 2022 with mean and standard deviation (M=4.28; SD=0.717). This was mainly achieved due to the firm having qualified staff who also had required skills in the Financial accountability department and also having majority of the staff who were well experienced to run the Financial department in the organization. A great number of respondents were in agreement that there was high level of Financial resilience in the organization with mean and standard deviation (M=3.45; SD=0.952).

The study further established that the Windle International Organization was not in position to survive for a period of more than five years without major Financial challenges with mean and standard deviation (M= 2.81; SD= 1.039), and that it did not constantly have a surplus income after spending (M=2.47; SD=0.668). This situation places the organization in a dilemma concerning achieving its financial sustainability since the findings indicate that the organization is very far from realizing financial sustainability. This was attributed to the organization largely relying on financial donors who sponsor a huge fraction of its budget. The overall composite mean and standard deviation was (M=3.25; SD=0.844), signifying that a large proportion of respondents could not establish if the organization was in a good position to be declared to have achieved Financial sustainability. Although it was noted that the organization had come up with proper Financial accountability practices, the financial sustainability at Kiambu county was still unattained making it to be at a risky position in maintaining its operation especially if the donor funding stops. According to Kerine (2015) it is a common practice to see NGOs ending their operations when the donor funding stops, due to organizations not coming up with proper strategies of increasing their financial sustainability.

Correlation Analysis

The study used Pearson product – moment correlation coefficient in order to determine the strength of linear relationship between financial accountability practices (Financial Control, Financial planning, financial monitoring and Fund utilization) and financial sustainability. The Pearson correlation coefficient is abbreviated by *r* and can take the range of values between -1 and +1 (Wong & Hiew, 2005). Wong and Hiew (2005) further explain that the Pearson correlation coefficient value (r) that ranges from 0.10 to 0.29 is taken as weak relationship, 0.30 to 0.49 is taken to be medium or moderate relationship while more than 0.49 is taken to be a strong positive correlation between the Variables under study. The results shown in below.

Table 4. 9: Correlation Analysis

		FM	FP	FC	LF	SDFP
FM= Financial monitoring	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	75				
FP=Financial planning	Pearson Correlation	.179	1			

	Sig. (2-tailed)	.125				
	N	75	75			
	Pearson Correlation	.196	.433**	1		
FC=Financial control	Sig. (2-tailed)	.092	.000			
	N	75	75	75		
	Pearson Correlation	.297**	.671**	.431**	1	
LF=Fund utilization	Sig. (2-tailed)	.010	.000	.000		
	N	75	75	75	75	
	Pearson Correlation	.715**	.610**	.648**	.527**	1
SDFP=Sustainability of Donor Funded Projects	Sig. (2-tailed)	.006	.000	.000	.000	
	N	75	75	75	75	75

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

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

Financial monitoring (Pearson correlation coefficient= 0.715) had a solid positive correlation effect on financial sustainability at Kiambu county, an indication that increasing the financial monitoring measures at Kiambu county will lead to increase in the strength of the financial sustainability at the organization. Financial planning (Pearson correlation coefficient= 0.610) has a strong positive correlation effect on financial sustainability. The strong positive Pearson correlation implies that the strength of financial sustainability is increased by ensuring there is timely and appropriate the financial planning at the organization.

Financial control had a positive Pearson correlation (Pearson correlation coefficient= 0.648) effect on financial sustainability, which is an indication that increase in financial control practices at Kiambu county will lead to increase in financial sustainability. The study found out that fund utilization has a positive correlation (Pearson correlation coefficient = 0.527) effect on financial sustainability. This implies that by increasing fund utilization, the strength of the financial sustainability will also increase at Kiambu County.

Diagnostic Testing

The study conducted various diagnostic tests to ensure that there was no violation of the classical linear regression model (CLRM) assumptions. This was important to ensure that there were no inconsistencies, biasness and insufficiencies in parameter estimates (Brook, 2008). The study conducted normality test, multicollinearity test and heteroscedasticity test.

Normality Test

Kolmogorov-Smirnov test was conducted to ensure that the data used was able to fit a normal distribution. Table 4.10 shows the normality test

Table 4. 10: Normality Test

	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
	Statistic	**Df**	**Sig.**	**Statistic**	**df**	**Sig.**
Financial Control	.126	147	.200*	.957	147	.771
Financial planning	.125	147	.200*	.970	147	.896
Financial monitoring	.131	147	.200*	.953	147	.718
Fund utilization	.111	147	.200*	.984	147	.982
Financial Sustainability	.192	147	.200*	.894	147	.220

*. This is a lower bound of the true significance.

a. Lilliefors Significance Correction

The null hypothesis was framed to postulate that the data was normally distributed in order to test the normality of the panel data using Kolmogorov-Smirnov test. The results tabulated in Table 4.10 show that all the variables in the study had p values that were greater than 0.05. The null hypothesis was hence not rejected. By not rejecting the null hypothesis, it implied that the scores were normally distributed.

Multicollinearity Test

Variance Inflation Factor (VIF) and Tolerance were used in the study to measure the multicolinearity between Financial accountability practices. The study was to only accept the VIF factors if the values were less than 4. In any case, the explanatory variable had a VIF value that was more than 4, it had to be removed from the model. Table 4.11 shows the multicollinearity test using VIF

Table 4. 11: Multicollinearity

Variable	Tolerance	VIF
Financial Control	0.481	2.079
Financial planning	0.387	2.584
Financial monitoring	0.572	1.748
Fund utilization	0.523	1.911

Table 4.11 shows that all the variables had a VIF values that were less than 4 and the tolerance of more than 0.2. This implies that there was no presence of high correlations between the

variables and hence multicollinearity did not occur. If any variable would have returned a VIF of more than 10, it would have been dropped since 10 is the cutoff point.

Heteroscedasticity Test

The null hypothesis was framed to imply that the error variance was homoscedastic. The hypothesis testing was done to find out if at 0.05 level of significance, there was evidence to reject the null hypothesis. The study used Breusch-Pagan test to conduct the test and the results are shown in Table 4.12.

Table 4. 12: Breusch –Pagan Test

Breusch-Pagan Test for Heteroskedasticity[a,b,c]

Chi-Square	df	Sig.
1.709	1	.191

a. Dependent variable: Dependent

b. Tests the null hypothesis that the variance of the errors does not depend on the values of the independent variables.

c. Predicted values from design: Financial Monitoring, Financial Planning, Financial Control, Fund utilization

By use of square of the residuals as shown in Table 4.12, the p value was found to be more than 0.05. this implies that the null hypothesis was rejected at 95 percent confidence level. Rejecting the null hypothesis implied that the data was homoscedastic.

Linear Regression Analysis

This tested the direct influence of independent variables (Financial monitoring, financial planning, and financial control and Fund utilizations on financial sustainability of Donor Funded Projects. This was computed by SPSS version 26 by first transforming categorical data into continuous data so as to validly run linear regression analysis.

Linear influence of Financial Monitoring on Financial Sustainability of Donor Funded Projects

Simple linear regression analysis was conducted to establish the relationship between financial monitoring and financial sustainability of donor funded projects in Kiambu County, Kenya. The results are as shown in Table 4.13.

Table 4.13: Regression Results of Financial monitoring on Financial sustainability of donor funded projects in Kiambu County, Kenya

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of Estimate	Change Statistics				
					R Sq Change	F Change	df1	df2	Sig. F Change

1	.715[a]	.511	.501	.76659	.511	8.066	1	73	.006

a. Predictors: (Constant), Financial monitoring

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	4.740	1	4.740	8.066	.006[b]
	Residual	42.900	73	.588		
	Total	47.639	74			

a. Dependent Variable: Financial sustainability of Donor Funded Projects

b. Predictors: (Constant), Financial monitoring

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.734	.362		7.551	.000
	Financial monitoring	.273	.096	.315	2.840	.006

a. Dependent Variable: Financial Sustainability of Donor Funded Projects

The results illustrated that there was a statistically significant positive relationship between financial monitoring and Financial sustainability of donor funded projects in Kiambu County, Kenya. Financial monitoring accounted for 51.1% ($R^2 = 0.511$) variations in the Financial sustainability of donor funded projects in Kiambu County, Kenya. Therefore, Financial monitoring is a significant predicator of Financial sustainability of donor funded projects in Kiambu County, Kenya.

Results also showed that financial monitoring had a positive, linear and significant (p-value is less than 0.05) relationship with the Financial sustainability of donor funded projects in Kiambu County, Kenya {regression coefficient, B=0.273, beta coefficient=0.315, ANOVA, F=8.066 and t-test value, t=2.840}. The results are represented in the following model:

$Y = \beta 0 + \beta_1 X_1 + \varepsilon$

Where Y= Financial sustainability of Donor Funded Projects,

$\beta 0$=0.534 (constant)

β_1= 0.273

X_1= Financial monitoring

Replacing in the equation above, the model becomes: $Y=0.543 + 0.273X_1$

From the above equation, the constant had coefficient of 0.534, p=0.000, this implies that in the absence of financial monitoring, Financial sustainability of Donor Funded Projects will be at 0.534. This financial sustainability of donor funded projects will be significant (P<0.05). On the other hand, financial monitoring had beta coefficient of 0.273. This implies when everything is held constant, a unit increase in the financial monitoring would results to a significant increase in Financial sustainability of Donor Funded Projects by 0.273 units.

Linear Influence of Financial Planning on Financial sustainability of Donor Funded Projects

Simple linear regression analysis was conducted to establish the relationship between financial planning and financial sustainability of donor funded projects in Kiambu County, Kenya. The results are as shown in Table 4.14.

Table 4.14: Regression Results of Financial planning and Financial sustainability of Donor Funded Projects

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.610[a]	.372	.364	.63998	.372	43.315	1	73	.000

a. Predictors: (Constant), Financial planning

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	17.741	1	17.741	43.315	.000[b]
	Residual	29.899	73	.410		
	Total	47.639	74			

a. Dependent Variable: Financial sustainability of Donor Funded Projects

b. Predictors: (Constant), Financial planning

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.543	.341		4.530	.000
	Financial planning	.591	.090	.610	6.581	.000

a. Dependent Variable: Financial sustainability of Donor Funded Projects

The results demonstrated that there was a statistically significant positive relationship between financial planning and financial sustainability of donor funded projects in Kiambu County, Kenya. Financial planning accounted for 37.2% ($R^2 = 0.372$) variations in the financial sustainability of donor funded projects in Kiambu County, Kenya. Hence, Financial planning is a significant predicator of financial sustainability of donor funded projects in Kiambu County, Kenya.

Results show that financial planning had a positive, linear and significant (p-value is less than 0.05) relationship with the financial sustainability of donor funded projects in Kiambu County, Kenya {regression coefficient, B=0.591, beta coefficient=0.610, ANOVA, F=43.315 and t-test value, t=6.581}. The results are represented in the following model:

$Y = \beta_0 + \beta_2 X_2 + \varepsilon$

Where Y= Financial sustainability of Donor Funded Projects,

β_0= 0.543 (constant)

β_2= 0.591

X_2= Financial planning

Substituting equation above with values, the model becomes: $Y= 0.543+ 0.591X_2$

From the above model, the constant had coefficient of 0.543, P=0.000, this implies that in the absence of financial planning, Financial sustainability of donor funded projects would be positively at 0.543. This financial sustainability of donor funded projects (P<0.05). Further, Financial planning had beta coefficient of 0.591, P=0.000. This implies when everything is held constant, a unit increase in financial planning would results to a significant increase in financial sustainability of donor funded projects by 0.591 units.

Linear influence of Financial Control on Financial sustainability of Donor Funded Projects

Simple linear regression analysis was conducted to establish the relationship between financial control and financial sustainability of donor funded projects in Kiambu County, Kenya. The results are as shown in Table 4.15.

Table 4.15: Regression Results of Financial control and Financial sustainability of Donor Funded Projects

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.648[a]	.420	.412	.61510	.420	52.916	1	73	.000

a. Predictors: (Constant), Financial control

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	20.020	1	20.020	52.916	.000[b]
	Residual	27.619	73	.378		
	Total	47.639	74			

a. Dependent Variable: Financial sustainability of Donor Funded Projects

b. Predictors: (Constant), Financial control

Coefficients[a]

Model	Unstandardized Coefficients	Standardized Coefficients	T	Sig.

		B	Std. Error	Beta		
1	(Constant)	1.484	.317		4.684	.000
	Financial control	.604	.083	.648	7.274	.000

a. Dependent Variable: Financial sustainability of Donor Funded Projects

The results revealed that there was a statistically significant positive relationship between financial control and Financial sustainability of donor funded projects in Kiambu County, Kenya. Financial control accounted for 42.0% ($R^2 = 0.420$) variations in the Financial sustainability of donor funded projects in Kiambu County, Kenya. Therefore, Financial control is a significant predicator of Financial sustainability of donor funded projects in Kiambu County, Kenya.

Results show that financial control had a positive, linear and significant (p-value is less than 0.05) association with the Financial sustainability of donor funded projects in Kiambu County, Kenya {regression coefficient, B=0.604, beta coefficient=0.648, ANOVA, F=52.916 and t-test value, t=7.274}. The results are represented in the following model:

$Y = \beta 0 + \beta_3 X_3 + \varepsilon$

Where Y= Financial sustainability of Donor Funded Projects,

β_0= 1.484(constant)

β_3= 0.604

X_3= Financial control

Substituting equation above with values, the model becomes: $Y= 1.484 + 0.604X_3$

From the above model, the constant had coefficient of 1.484, p=0.000, this implies that in the absence of financial control, financial sustainability of donor funded projects would be positively at 1.484. This financial sustainability of donor funded projects would be significant ($P<0.05$). Further, Financial control had beta coefficient of 0.604, P=0.000. This implies when everything is held constant, a unit increase in the financial control would results to a significant increase in financial sustainability of donor funded projects by 0.604 units.

Linear influence of Fund utilization on Financial sustainability of Donor Funded Projects

Simple linear regression analysis was conducted to establish the relationship between fund utilization and financial sustainability of donor funded projects in Kiambu County, Kenya. The results are as shown in Table 4.16.

Table 4.16: Regression Results of Fund utilization and Financial sustainability of Donor Funded Projects

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change

1	.527[a]	.278	.268	.68633	.278	28.134	1	73	.000

a. Predictors: (Constant), Fund utilization

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	13.252	1	13.252	28.134	.000[b]
1	Residual	34.387	73	.471		
	Total	47.639	74			

a. Dependent Variable: Financial sustainability of Donor Funded Projects

b. Predictors: (Constant), Fund utilization

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.514	.425		3.560	.001
	Fund utilization	.589	.111	.527	5.304	.000

a. Dependent Variable: Financial sustainability of Donor Funded Projects

The results revealed that there was a statistically significant positive relationship between fund utilization and financial sustainability of donor funded projects in Kiambu County, Kenya. Fund utilization accounted for 27.8% ($R^2 = 0.278$) variations in the financial sustainability of donor funded projects in Kiambu County, Kenya. Therefore, fund utilization is a significant predicator of Financial sustainability of donor funded projects in Kiambu County, Kenya.

Results show that fund utilization had a positive, linear and significant (p-value is less than 0.05) association with the financial sustainability of donor funded projects in Kiambu County, Kenya {regression coefficient, B=0.589, beta coefficient=0.527, ANOVA, F=28.134 and t-test value, t=5.304}. The results are represented in the following model:

$Y = \beta 0 + \beta_4 X_4 + \varepsilon$

Where Y= Financial Sustainability of Donor Funded Projects,

β_0= 0.514(constant)

β_4= 0.589

X_4= Fund utilization

Substituting equation above with values, the model becomes: $Y= 0.514+ 0.589X_4+\varepsilon$

From the above model, the constant had coefficient of 0.514, p=0.000, this implies that in the absence of fund utilization, financial sustainability of donor funded projects would be positively at 0.514. This financial sustainability of donor funded projects would be significant (P<0.05). Further, fund utilization had beta coefficient of 0.589, P=0.000. This implies when everything is held constant, a unit increase in the Fund utilization would results to a significant increase in financial sustainability of donor funded Projects by 0.589 units

Multiple Regression Analysis

The study conducted various diagnostic test as a pre-requisite of conducting a regression analysis so as to ensure that the study did not violet the classical linear regression model (CLRM). In order to determine how financial sustainability affects financial accountability practices, the study adopted a multiple regression. The results shown in Table 4.17 outline the coefficient of adjusted determination and that of coefficient of determination.

Table 4. 17: Model Summary

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.879[a]	.774	.755	.323

a. Predictors: (Constant), Financial Control, Fund utilization, financial monitoring, financial planning

The results were that the correlation's coefficient R was 0.879, which indicated that the variables were strongly positively correlated. The conclusion of the study was that there was a significant relationship between financial accountability practices and financial sustainability because the P value was less than 0.05.

The adjusted R square, R^2= 0.755 indicate that 75.5% of the change in Financial sustainability as expounded by the model's variables which are, Financial Control, Financial planning , financial monitoring and Fund utilization. The remaining 24.5% can be accredited to other practices and factors that do not form part of this study. The study findings conform to those from Chelangat, Sang and Simiyu (2018) who argue that financial sustainability is a complex process and can be achieved only if organizations come up with various Financial accountability practices since they positively influence the financial sustainability. Wandera and Sang (2017) also found that Financial accountability practices (Financial Control and financial monitoring) Financial sustainability were positively related and recommends proper adoption of Financial accountability practices in order to increase their chances of increasing their operations The study further adopted the coefficient of regression in order to establish how Financial sustainability is affected by each of the Financial accountability practices. Table 4.18 shows the coefficient for regression.

Table 4. 18: Coefficients of Regression

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.164	.329		.500	.020
	Financial Control	.218	.092	.235	2.371	.022
	Financial planning	.421	.114	.427	3.705	.001
	Financial monitoring	.175	.083	.199	2.096	.041
	Fund utilization	.165	.099	.166	1.668	.102

a. Dependent Variable: Financial Sustainability

The coefficient of regression from Table 4.18 leads us to the equation

$$Y=0.164 +0.235X_1+0.427X_2+0.199X_3+0.166X_4$$

Where,

Y = Financial sustainability of Donor Funded Projects
X_1= Financial Monitoring
X_2= Financial Planning
X_3= Financial Control
and X_4 = Fund utilization

By holding all the variables constant, it was established that the financial sustainability of donor funded projects in Kiambu County, Kenya, would be at 0.164. This implies that the expected value of the financial sustainability will be 0.164 when all the independent variables (Financial Control, Financial planning, financial monitoring and Fund utilization) under this study are set to zero. Ensuring we have proper Financial Control in place at the same time holding all the other factors constant, this would strengthen the financial sustainability at Kiambu County by 0.235. The study findings agree with Kang'aru and Tirimba (2018) findings that Financial Control positively affects financial sustainability. However, the finding from this study contradicts the finding from Essra (2016) who noted that the relationship between Financial Control and Financial sustainability is statistically insignificant.

When all the other factors are held constant, ensuring there is proper financial planning will strengthen financial sustainability at Kiambu County by 0.427. The findings concur with Chepkemoi and Njeru (2017), who argue that Financial planning review, having proper planning in place, continuous monitoring and control of the Financial Control may have a significant positive effect on the sustainability of NGO's, Juba, South Sudan. The regression results indicated a positive effect of financial planning on financial sustainability. The study by Wandera and Sang (2017) also concurs with the findings of this study as it revealed that financial planning has a significant positive effect on financial sustainability of NGOs.

The results on financial monitoring indicate that when proper measures are put in place to ensure financial monitoring is achieved in the organization and holding all the other factors constant would strengthen the financial sustainability at Kiambu county kism by 0.199. The study finding is in line with Demba (2018) and Abt (2018) studies noted that. However, the findings contradict that of Mengesha *et al*. (2015) who note an insignificant positive effect of financial monitoring on Financial sustainability.

While holding all the other factors constant, proper financial control measures would result to strengthening financial sustainability at Kiambu County by 0.166. Though the increase is positive, it is however not significance since the P value is more than 0.05.This finding contradict with Chelangat *et al*. (2018) study, which revealed financial monitoring and Financial sustainability had a significant positive relationship in Public Governance Non-Governmental Organizations in Nairobi County, Kenya.

The study found out that Financial Control had a significant positive strong effect on Financial sustainability (β= 0.218; $P< 0.05$), Financial planning had a strong positive effect on Financial sustainability (β=0.421; $P< 0.05$), financial monitoring had a significant strong positive effect on Financial sustainability (β=0.175; $P< 0.05$). Fund utilization had an insignificant positive effect on Financial sustainability (β= 0.165; $P> 0.05$). Kang'aru and Tirimba (2018), Chepkemoi and Njeru (2017), Demba (2018) respectively, support the findings on Financial Control, Financial planning, financial monitoring and Fund utilization.

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

This chapter presents the summary of the study findings, the conclusions that the study came up with from the study objectives, the recommendations from the study and also further research propositions.

Summary of the Findings

The purpose of this study was to investigate the relationship between Financial accountability practices on financial sustainability of the donor funded projects in the case of Sustainability of donor funded projects in Kiambu County, Kenya. The objectives of this study were: to determine the relationship between Financial Monitoring and Financial sustainability of donor funded projects; to establish the relationship of Financial planning and Financial sustainability of donor funded projects; to determine the relationship between financial control and Financial sustainability of donor funded projects and to establish the relationship between financial reporting and Financial sustainability of donor funded projects in the case of Sustainability of donor funded projects in Kiambu County, Kenya. The study relied on research questionnaires to collect the primary data that facilitated this study. The research tool, in this case questionnaires, were distributed to 189 respondents and the researcher received back 147 dully filled for analysis representing a return rate of 77.94%. Descriptive design such as percentages, means and standard deviation were used in data analysis. Also, inferential analysis such as Pearson correlation coefficients was used to analyze the data to determine how financial sustainability is affected by financial accountability practices.

Financial control was established to significantly affect financial sustainability of donor funded projects in a positive manner. The Financial control was achieved in the organization by the organization developing budget timetables and allocating budget preparation responsibilities to relevant organs in time, evaluating budget bids to ensure there was alignment with the organization priorities, involving senior management team in budget planning, reviewing original budget constantly to meet emerging issues and cross-checking department estimates. Financial control hence positively influenced the financial sustainability at sustainability of donor funded projects in Kiambu County, Kenya.

Financial planning had a significantly positive effect on financial sustainability of donor funded projects. Submitting financial reports to the stakeholders and financers/donor, measuring and analyzing of the financial reports based on the budgetary allocation and availing monthly financial statements in time may significantly contribute to the organization's financial sustainability. The organizations have also to ensure that the process of financial planning is very clear and easily understandable by various stakeholders and ensure that financial reports are regularly reviewed to ensure that the implementation process is met.

The study found financial monitoring to significantly affect financial sustainability of donor funded projects in a positive manner. The organization was able to achieve financial monitoring by auditing its accounts, safeguarding its resources and ensuring that all the transactions were receipted and recorded in appropriate ledger books.

The study further revealed that fund utilization effect on financial sustainability of donor-funded projects was positive but insignificant. Although the organization was able to achieve fund utilization by employing competent and qualified finance staff, having internal monitoring and evaluation team to carry out constant monitoring of projects with respect to the finances allocated, ensuring risks were assessed prior to implementing the projects and having a good control environment in the organization, its positive effect on Financial sustainability was found not to be significant.

Conclusion

The uncovering from the study revealed that Financial Control significantly affected the financial sustainability at Sustainability of donor funded projects in Kiambu County, Kenya. This clearly shows that organizations which are able to develop budget timetables and allocate budget preparation responsibilities to relevant organs in time, evaluate budget bids to ensure there is alignment with the organization priorities, involve senior management team in budget planning, review original budget constantly to meet emerging issues and cross check department estimates find it easy to ensure that Financial Control is achieved in the organization. Financial Control was found to be one of the most influential financial accountability practice that all the organizations must adopt in any case they dream of achieving Financial sustainability in the years to come.

The study established that financial planning had a very significant effect on the financial sustainability and has to be adopted by various organizations to a very great extent. In order to achieve financial planning, the organization has to ensure that financial reports are submitted to the stakeholders and financers/donors in time. By so doing, the stakeholders are able to countercheck the report and establish any anomalies that might have occurred. It also provides the evidence of accounting for the resources the organization has received and develops trust among the stakeholders. The organizations have also to ensure financial reports are analyzed based on the budgetary allocations and avail monthly financial statements in time.

The study also established that financial monitoring positively affected financial sustainability at Kiambu County. The organization was able to achieve financial monitoring through employing competent and qualified staff, having proper maintenance of organization’s records and clear segregation of duties to ensure that there is oversight and review for timely identification and eradication of errors. Internal monitoring and evaluation the study further reveled that financial sustainability is positively affected by financial control. The organization had put in place several measures such as employ competent staff, carry out internal monitoring and evaluation and risk assessment of projects with respect to the finances allocated; ensuring risks were assessed prior to implementing the projects and having a good control environment in the organization.

Recommendations of the Study

Financial Control had a significant positive effect on financial sustainability. It is hence paramount for the management and stakeholders at non-profit organizations to ensure that this financial management practice is properly put into practice. They should further ensure that the organization continue developing budget timetables and allocate budget preparation responsibilities to relevant organs, ensure the bids are evaluated so as to ensure they are aligned with the priorities of the organization, department estimates are constantly cross checked and original budgets are reviewed to meet emerging issues.

Financial planning had a positive effect on financial sustainability and organizations need to ensure that proper financial planning is done to relevant stakeholders in time to develop trust among the stakeholders. The Donor’s Management need also to ensure that financial monitoring measures are appropriately practiced in their organizations since financial monitoring was found to have significant relationship with financial sustainability. The study further recommends the organizations management and stakeholders need to ensure that Financial control is practiced so as to ensure that proper Financial management is done in the organizations, projects are constantly monitored and risks are assessed prior to project implementation.

Suggestion for Further Research

This study was done on Sustainability of donor funded projects in Kiambu County, Kenya, and focused on the financial accountability practices and financial sustainability of donor-funded projects. It was established that only 75.5% of the financial sustainability was explained by the factors under this study. More studies can be done to establish whether there are other factors that would potentially have an effect on financial sustainability of donor funded projects. More studies also need to be done especially touching on financial monitoring and financial control to iron out the contrasts outlined in the research findings.

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