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Accountability, Donor Funding and Non-Governmental Organisations in Kisumu County in Kenya

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Abstract:

Accountability is an important aspect of all organisations today. Accountable NGOs have been found to receive large funding from donors and thus undertake development programs that alleviate human suffering. This study is set to establish the accountability of donor funding by non-governmental organisations in Kisumu County. The study adopted a descriptive survey design. The target population was the NGOs located in Kisumu County- Kenya. The population was made up of all the 187 NGOs in the region. The use of open-ended questions was justified because some of the information concerned sensitive matters of the NGOs, particularly those involving finances and governance. The study established that donor funding was dependent on the accountability mechanisms put in place by the implementing NGOs. The study revealed that NGOs were expected to keep a minimum set of financial statements, e.g. Statements of comprehensive income, statements of financial position and cash flow statements. The study revealed that community involvement in the oversight of NGOs was still not adequately practised and that satisfaction of the employees with their pay perks could not be established. Donors were keen on compliance with the laws of the country and involved the oversight bodies in checking the compliance and legitimacy of the NGOs before funding and partnering with them. It was established that donors expected performance measurements to be done and that NGOs prepared specific reports. The donors also demanded that the authenticity of the financial statements be verified by independent auditors. Therefore, this study recommends that NGOs develop proper and effective accountability mechanisms to measure performance and enhance legitimacy and accountability. This will include using proper performance measurement tools and compliance with donor and government regulations to secure sustained financing and ensure that the County's development agenda is achieved. The study further recommends that the NGOs procure the services of recognised audit firms that will offer value-adding audits, which, in effect, will boost donor confidence.

Keywords: *Non-Governmental organizations, accountability, donor funding, legitimacy, financial statements, statement of comprehensive income*

1. Introduction

Non-governmental organisations are non-profit in nature and, as the name suggests, are not a part of the government. NGOs play a key role in the delivery of healthcare, education and other welfare services in many developing countries (Goddard & Assad, 2006). Nevertheless, they play a key role in creating public awareness of important issues of concern. They advocate for necessary changes in their area of operation and change society's way of doing things. To some extent, they monitor the activities of the government, multinational organisations, and other entities for the greater good of the community. Lastly, they offer leeway for the various government development projects by successfully testing their viability for the government to adopt (Kamande, 2011). In this case, NGOs need to be transparent and accountable and be operated with the highest degree of integrity. The assumption is that accountability mechanisms employed by NGOs delivering development aid can affect the effectiveness with which aid funding is deployed in individual aid projects (Agyemang, Awumbila, Unerman & O'Dwyer, 2009).

The existence of NGOs is traced to the failure of markets and institutions in terms of governance in some parts of the world. The high growth of NGOs has, in part, been because of the failure of institutions and financial markets that are supposed to have been providing capital to small and medium-sized enterprises to alleviate poverty. However, the failure of the said markets to mobilise funds for the vulnerable sectors has led to a gap in society. This is because most of the financial institutions are motivated by profit and will typically fund the most profitable and very low risk enterprises. This approach has starved funding from important livelihood Projects in favour of the more profitable ones, thus magnifying the inequality in a society where the poor grow poorer while the rich grow richer. Thus, NGOs try to fill this gap by working with the poor and providing basic services such as healthcare, sanitation, and education to the vulnerable.

NGOs also train such people in life skills and sometimes even provide seed capital for business start-ups to needy groups. The failure of financial institutions and the market framework to provide funding to deserving groups has contributed to the growth of NGOs (Sullivan, 2013).

The growth among NGOs has been fueled by a belief among donors that NGOs are a cost-effective way of providing social services to poor communities and a better route of attaining democratisation than the central government (Fonjong, 2007). Despite the introduction of a decentralised government in Kenya, donors still believe NGOs are the quickest means of initiating development among such communities. This notion seems overrated in terms of legitimacy, which is based on a belief in value-driven organisations rather than on actual assessment, monitoring, and evaluation of their accomplishments. NGOs play an important complementary role in the government and business fraternity, and thus, their accountability affects society's common good.

2. Literature Review

Different theories have been advanced on the issue of accountability in NGOs. Centrally, there have been three major issues: transparency, legitimacy, and performance. These are the building blocks of accountability in NGOs and are essential in any discourse touching on NGO accountability (Songco, 2007). This section looked more deeply at these main issues and their potential impact on the study.

2.1. Transparency

Transparency essentially refers to the need for NGOs to make their operations available to all stakeholders and to allow continuous monitoring and observation of their activities. Intertwined with transparency is the need for NGOs to attract and retain quality management personnel to champion their activities. According to Boutin (2000), president of the Union of International Associations (UIA), self-discipline and mutual vigilance should be encouraged in NGOs when trying to enforce transparency. She goes further and identifies some of the bare minimum standards NGOs should have in their quest to ensure transparency within their ranks. These are a legal status and the respect of any obligations arising because of such clear, honest, and timely communication that is targeted to all stakeholders and especially their donors with details of how resources are mobilised, the number of resources, and how the same is used towards meeting their objectives. Anne Marie Boutin (2000) also underscores the importance of accounting and the need to involve external professionals such as auditors in enhancing transparency in NGOs (Boutin, 2000).

This study sought to ascertain the level of performance of NGOs operating in Kisumu County. The interview aimed to unearth performance measures that the NGOs have in place to curb the lack of accountability in their mandates. The variable was also an important component in ascertaining the level of accountability in the various NGOs.

2.2. Legitimacy

Legitimacy is important in enhancing accountability in the operations of NGOs. Legitimacy is crucial because NGOs declare that they represent the poor against poverty and other societal ills which are seen to have been brought about by laxity in the government. Being spokespersons of the poor and the underprivileged against government injustice, there is a need to ascertain whether the NGOs have an actual mandate from the people to act on their behalf. Governments and business leaders have propagated this view. They would like to know how the NGOs were appointed to speak for the people and whether they represent the will of those they purport to represent (Songco, 2007). Legitimacy in NGOs can be validated in four ways. First, NGOs need to be representative of the people they claim to represent through the creation of a formal membership structure. Secondly, the NGOs should have the necessary level of competence and expertise. This means that they should possess the relevant knowledge and skills in their subject matter to be able to carry out their duties diligently. Third, NGOs should be led through the law. They should comply with the internal rules and rules governing their operations and should have effective internal oversight from the relevant trustees. Lastly, NGOs should be moral in the pursuit of their objectives. They should focus on the public good and should be in touch with public sentiment as opposed to parochial selfish interests (Banks & Hulme, 2012). Simply put, NGOs should be able to explain whether they speak about the poor, as the poor, with the poor and for the poor.

It is important for an NGO to evaluate its actions and the actual impact that such actions have on the people to whom it is directed. A case in point is NGOs' involvement in conflict areas. Whereas people in conflict areas suffer a myriad of problems ranging from lack of food to the need for health care, especially considering the injuries that conflict may cause to the inhabitants of a region, it is important that an NGO constantly evaluate its actions to ensure that they only result in the intended impacts on the society. Cases abound where NGOs have been blamed for further fueling conflict, either knowingly or otherwise. For instance, Martin Plaut, the BBC World Services Africa editor, aired a documentary which showed that over 95 million of the 100 million raised to provide humanitarian assistance in conflict-ridden Ethiopia in 1985 ended up in the hands of militia and was largely used in the purchase of weaponry (Jones, 2010). This raises serious issues on legitimacy, irrespective of the protests that Bob Geldof and other leading charities had on this report (Jones, 2010).

Examples also abound of instances where NGOs, after evaluation of their actual impact on society, may choose to abstain rather than create illegitimate outcomes from their actions. A case in point is the 1994 Rwandan genocide, where Médecins Sans Frontières (MSF) withdrew their medical support for the victims due to fear that those they treated went back to carry out more genocide-related activities. So, rather than aid the offenders unknowingly, MSF decided not to offer any assistance to those affected by this conflict (Tirone, 2011). In this way, they preserved their legitimacy by making a decision that was not contrary to the public interest.

2.3. Performance

Performance, on the other hand, relates to the outputs in comparison to the NGO's mandates. NGOs need to develop their own internal mechanisms for measuring their performance. Through continuous appraisal, these mechanisms can help enhance the NGO's credibility. Performance can be measured against the goals that have been set by the NGO as benchmarks. Performance can also be measured based on the impact of the NGO's activities on its intended beneficiaries. In essence, performance is internally and externally motivated (Banks & Hulme, 2012).

Performance measures of NGOs can be both financial and non-financial. Such an integrated view offers a comprehensive interface between several links within an NGO, from resource generation to program management units. This is a highly recommended framework (Epstein & McFarlan, 2011). Financial performance measurements using financial statements are vital in evaluating the quantitative parameters in NGOs (Lewis, 2009). The aim of the measurement is to establish financial sustainability, efficiency and effectiveness. The most common measurement an NGO can use is Ratio analysis (Lewis, 2009). The applicable ratios are donor dependency ratio, survival ratio, corpus fund to earmarked funds ratio, current ratio, income utilisation ratio and resource generation ratio.

Non-financial measurements, on the other hand, have varied objectives. Key among them is aligning the resources, processes, and financials to meet the organisation's objectives, transforming set goals into achieved goals, taking proactive measures to determine what must be achieved from time to time, and striving for sustainable and efficient NGOs.

It is important that an organisation has a good performance index and accomplishes its intended objectives. Performance was a critical component of this research. It was one of the main tools used to establish the level of accountability of NGOs operating in Kisumu County.

2.4. Accountability in Non-Governmental Organizations

In general, accountability can be described as the obligation or readiness to accept responsibility for commissions or omissions. It is possible to separate the two positions regarding accountability. First, there is short-term functional accountability, which involves the day-to-day running of the NGOs and the accounting for the available resources, their use and the immediate impacts that their use has on the NGO and society at large. On the other hand, there is strategic accountability that encompasses accounting for the effect that an NGO has on other governmental and non-governmental organisations, its immediate society, and the world at large. This calls for a much broader and much longer assessment of the NGO's role in shaping society.

2.5. Framework for Accountability Development in Non-Governmental Organizations

A lot has been done in the past to enhance the accountability of NGOs. This includes creating and adopting appropriate legislation, creating bodies to help in the self-regulation of the industry, and enhancing openness by allowing scrutiny by third-party organisations such as auditors and the media. Some of the recent efforts to come up with an appropriate structure to enhance accountability have led to the formation of various bodies that oversee accountability. The Global Accountability Project (GAP) of One World Trust is an example of these initiatives (Songco, 2007).

In Kenya, the NGO Coordination Board was established through an Act of Parliament in 1990 and started operations in 1992. The NGO Coordination Board is required to register, coordinate and facilitate activities of all NGOs working in Kenya, whether they are national or international. This Act of Parliament, the NGOs Coordination Act No. 19 of 1990, also established the NGO Council to play the role of the umbrella organisation for all the NGOs (Poverty Eradication Network, 2010).

The National Council of NGOs aims to foster self-regulation among local NGOs operating in Kenya. It is composed of different NGOs and is not biased. The council draws its membership from local and international NGOs working in Kenya, several other Community-Based Organisations (CBOs) and other community groups. The NGO Council is mandated to promote self-regulation and enhance self-accountability in Kenya's industry (NGO Council, 2011).

Before registration in Kenya, NGOs are required to comply with several conditions to ensure that they are accountable to their donors and the public good. These include the fact that before an NGO seeks registration, it must obtain approval from the Executive Director of the NGO Board. The NGO Board performs a number of checks on the NGO seeking registration. This includes conducting a background check on the individuals behind the NGO, its membership structure, studying the NGO constitution, the intended custody, use and investment of the NGO assets and the management structure, among other requirements (Kameri-Mbote, 2002).

2.6. Internal Accountability

NGOs also must develop internal accountability structures in addition to the accountability levels demanded by the regulatory bodies and external players. Only a few NGOs in Kenya endeavour to create internal democracy. In the past, some NGOs in the country have been faced with scandals involving how they manage the resources in their custody. An article by Kiberenge (2012) carried in the Standard, for example, insinuated that some NGOs were diverting aid meant for the refugee Somalis to other East African countries for commercial gain. This involved collusion with various parties, such as logistics providers, who are involved in the transportation of relief material from Kenya and other neighbouring countries to Somalia (Kiberenge, 2012). As such, in addition to the oversight provided by external parties, NGOs also need to come up with their own internal mechanisms to strengthen their capabilities.

The development of accountability in NGOs does not imply the building of more layers of compliance. Accountability should be at the core of the NGO's development activities. This research sought to understand the measures that are used by NGOs in Kenya to enhance accountability within their ranks. The study focused on NGOs operating within Kisumu County. Among the issues of concern are the internal frameworks in place to ensure internal accountability and

the existing framework that is aimed at ensuring that the NGOs' activities are in sync with the public interest, an issue that can be referred to as external accountability.

2.7. Conflicts between the Government and Non-Governmental Organizations Due to Accountability Issues

The NGOs' operations have not been without setbacks. There is a likely conflict of interest between them and the government because of accountability issues. In practice, collaboration between the government and NGOs is, at times, not as smooth as it should be.

In December 2010, Athman Anmran of the Standard reported that over 1,000 NGOs were going to lose their licenses because they had not fully complied with the terms set out when they were registered. The notice by the NGO Coordination Board targeted NGOs that had not fully complied with the terms set out in the NGO Coordination Act of 1990, such as the declaration of bank accounts and physical location upon registration and when there was any change (Amran, 2010).

From time to time, such conflicts are bound to occur. Conflicts may also arise when the NGOs appear too critical of the government of the day. Governments that have dictatorial tendencies do not want to be criticised. As such, NGOs tasked with guarding civil liberties may be at loggerheads with such governments (Petric, 2012). The political sphere is much more different today than it may have been. Current-day systems of power are composed of multiple players, such as local, national, multinational, and international NGO players. Pressure on the government from these bodies has, in essence, affected legitimacy, the exercise of power, and the principles of sovereignty, leading to power struggles in such societies (Petric, 2012). In essence, this results in conflicts between governments and NGOs.

3. Methodology

The study used a descriptive research design. The target population for this study was the NGOs located in Kisumu County-Kenya. The population was made up of all the 187 NGOs in the region. Purposive sampling was used to select 49 NGOs for the study. Data was collected through structured, semi-structured, in-depth interviews.

4. Results

Section 4 analyses this chapter and contains the survey's findings as set out in the research objective and research methodology. Different people were interviewed, including government officers involved in projects involving collaboration between the government and NGOs. Section 4.2 below analyses the composition and category of people interviewed.

4.1. Performance

The results show that investment techniques such as simple rate of return, payback period, benefits cost ratio, net present value and internal rate of return are not popular with the NGOs. On examination, there is a lack of awareness about these techniques. However, most respondents agree that they carry out quantitative analysis. NGOs are required before funding to carry out baseline surveys to know the needs of the communities. This process involves knowing the population to deal with and the actual demographics involved. On the same note, mid-way through the implementation of the projects, the NGOs must undertake midterm and end-term evaluations. This process can only be aided by quantitative analysis techniques. 71.4% of the respondents did a checklist analysis. The standard deviation of the checklist is the lowest (1.351), suggesting a high level of agreement amongst respondents, while the standard deviation of the use of cost-benefit ratio analysis is the highest (1.625), suggesting a lack of agreement on the use of this performance indicator.

4.1.1. Staff Appraisal

The response to this question was rather unsatisfactory. However, most respondents strongly agree that their organisations use the weighted checklist method (53.1%) and the 360-degree performance appraisal approach (57.1%) to evaluate staff performance. Surprisingly, most of the respondents were undecided about their organisations' use of management by objectives and critical incident methods.

4.1.2. Financial Statements

Nearly all NGOs prepare financial statements such as statements of financial position, comprehensive income statements, and cash flow statements. Others also did budget vs. variance analysis. The fact that the NGOs prepare such statements could mean that they comply with legal requirements or that the donors or individuals who fund them insist on periodic preparation of such statements.

For internal control purposes, most NGOs (85%) prepare periodic bank reconciliation statements implying the importance of cash control to such organisations. Financial statements are an essential accountability tool as they provide actual evidence of the financial transactions of an organisation, and Balance sheets (81.6%) are an indicator. It is interesting that NGOs prepare income statements (87.8%) and Balance sheets (81.6%) to indicate that they are compliant. However, budget management mechanisms are weak, as only 71.4% controlled their budget performance. Below is a compilation of some of the financial statements the different NGOs in Kisumu County kept for accountability.

		Balance Sheets	Income Statements	Cash Flow Statements	Budget Variance Analysis	Bank Reconciliation Statements
N	Valid	46	46	47	45	46
	Missing	3	3	2	4	3
Mean		1.00	1.07	1.04	.96	1.07
Mode		1	1	1	1	1
Std. Deviation		.365	.250	.292	.475	.250

Table 1: Financial Statements

In addition to the financial statements, the respondents from the NGOs in Kisumu County also identified additional reports required by donors. Of the total respondents interviewed, a majority confirmed that their NGOs had in place accountability mechanisms to ensure that they deliver on their mandate.

4.1.3. Donor Reports

The NGO management interviewed confirmed that the donors require progress updates. Donors require proposals in the form of project work plans and budgets. On implementation, the donors require narrative and financial reports continuously to ensure that the use of resources is efficient, timely, and cost-effective. Most donors are also accountable to their back donors and are measured by the timeliness, reliability and credibility of the reports they send originating from the implementing NGOs. Since donors cannot implement directly, they want their partners to succeed. They do this by providing technical advice and compliance training for their staff. When donors commit to an NGO, they want to prove that their funds are being spent prudently and that useful results are achieved. This way, they achieve their development agenda and continue to mobilise funds for the same; 91.8% of the NGOs reported presenting work plans and budgets to the donors, 93.9% presented financial statements, and 73.5% submitted narrative reports. This indicates that the financial reporting burden is much more than programmatic reporting. Additionally, the research found out that the various array of stakeholders using these reports varied, with the donors scoring the highest at 91.8%, the NGO Board at 87.8%, the NGO council at 26.5%, Community groups at 26.5%, KRA at 42.9%, DSDO at 12.2% and the Board of Directors 85.7%. There is, however, from this research, a policy gap on who should receive reports, what reports, in what formats, when and how. This is illustrated in table 2 below.

		Project Work Plans and Budgets	Financial Reports	Narrative Reports
N	Valid	48	49	46
	Missing	1	0	3
Mean		1.06	1.06	.91
Mode		1	1	1

Table 2: Reports Required by Donors

4.1.4. Factors That Hinder Accountability

Financial mismanagement has numerous disadvantages to different organisations. Financial mismanagement can have serious effects on NGOs as these organisations rely on goodwill to attract donor funding. Below are some of the effects of financial mismanagement on the well-being of NGOs in Kisumu County. For financial management to be successful in NGOs, it is important that they pay particular attention to their daily management. Prudent management of each NGO's activities results in the overall well-being of the entire organisation. Below are the factors that were identified as hindering the effective accountability of the day-to-day running of NGOs in Kisumu County. From the findings, as tabulated below, it is observable that a combination of the six factors, e.g. management shortcomings, dishonest employees, lack of adequate management structures, political interference and lack of sufficient oversight from responsible persons, hinder effective accountability with the critical variance being, lack of adequate management structure having striking visibility at an s.d of 1.00. This is illustrated in table 3 below.

		Lack of Adequate Management				
				Structure	Political Interference	Lack of Sufficient Oversight from Responsible Persons
		Management Shortcomings	Dishonest Employees			
N	Valid	42	42	46	41	44
	Missing	7	7	3	8	5
Mean	4.05	4.24	4.39	4.07	4.23	
Mode	5	5	5	5	5	
Std. Deviation	1.306	1.185	1	1.33	1.236	

Table 3: Factors Hindering Accountability

5. Legitimacy

Legitimacy is important for all NGOs. Their activities must be in tandem with the public interest. In this regard, NGOs must implement measures to ensure their activities align with such expectations. Donors are pretty careful while funding any NGO project. This is particularly so with institutional donors, such as foreign governments and private companies, who demand high levels of accountability. As such, these organisations may look for certain levels of compliance before agreeing to finance a project. Donors require several documentations to be in place before they release funds to an organisation. They do need evidence of registration, the existence of policy documents, and the existence of key personnel and, in some cases, MOUs with communities. The table below indicates how NGOs in Kisumu County responded to the fact that donors look for compliance requirements. There is a strong agreement at an s.d of 0.247 that donors require valid registration documents and an s.d of 0.295 levels of agreement to the need for the existence of policy documents. However, the respondents showed no requirements for signed MOUs with communities at an s.d of 0.647.

		Before funding your organisation, do donors require registration documents?	Before funding your organisation, do donors require a policy documents?	Before funding your organisation, do donors confirm the existence of key personnel?	Before funding your organisation, do donors confirm the existence of MOUs with communities?
N	Valid	47	46	47	37
	Missing	2	3	2	12
Mean		1.06	1.04	1.06	.57
Mode		1	1	1	0
Std. Deviation		.247	.295	.323	.647

Table 4: Compliance Factors That Donors Evaluate

Since Legitimacy is closely linked to Donor funding, the research also sought to establish the level of funding among the NGOs in Kisumu County from 2008 to 2012; notably, the growth rate of funding is very low, with a 4 million drop between 2009/2010 and 2011/2012. The lack of community involvement explains the low development rate of Kisumu County and the persistent poverty levels in the county. Table 5 below shows the level of funding for the last five years.

		What is the availability of donor funding in your entity in 2008/2009 KES	What is the availability of donor funding in your entity in 2009/2010 KES	What is the availability of donor funding in your entity in 2010/2011 KES	What is the availability of donor funding in your entity in 2011/2012 KES
N	Valid	37	38	39	40
	Missing	12	11	10	9
Mean		2.4E+07	3.6E+07	3.2E+07	35695543.75
Mode		10000000(a)	6000000(a)	6000000	9000000
Std. Deviation		2.5E+07	7.5E+07	6.6E+07	88524319.97

Table 5: Level of Funding 2008-2012

Linked to the above factor of funding availability, NGOs which responded were asked whether they believed to be accountable and responsible, and 93.9% believed so, with only 6.1% agreeing they were accountable exclusively to their boards; 11% of the remaining NGOs admitted to having challenges with accountability and were taking corrective measures. It was also established that most NGOs had been in Kisumu for over ten years, and their structures had a Board, Management and staff. This was believed to validate their authenticity in various interventions, hence continued getting funds from donors and government. However, the lack of community representation on such boards is questionable.

5.1. Summary and Interpretation of the Findings

Non-governmental organisations are vital in delivering healthcare, education, and other welfare services to Kisumu County. They create public awareness of important issues of concern. They advocate for necessary changes within their mandate and monitor and complement the activities of the government, multinational organisations, and other entities for the greater good of the community. NGOs undertake development projects by successfully testing their viability for the government to adopt; hence, there is a need to be transparent, accountable, and legitimate. The dependent variable was accountability, whereas the independent variables were legitimacy, performance and transparency.

From tables 1 to 5 above, it was established that there is a strong relationship between donor funding and the demonstration of transparency, accountability and legitimacy among the NGOs. This is why 93.9% of the NGOs have striven to remain accountable so that their existence is not threatened. These findings agree with some scholars and researchers who have established similar results. For example, (Agyemang, Awumbila, Unerman and O'Dwyer, 2009) established that accountability mechanisms employed by NGO's development aid can affect the effectiveness with which aid funding is deployed in individual aid projects. Whereas Gent, Crescenzi, Menninga and Reid (2013) contend that the lapse in accountability has resulted in the erosion of confidence among donors. This study agrees with those of Goddard and Assad (2006). Accounting and Navigating Legitimacy in Tanzanian NGOs' whose results established that accounting is essential as far as issues of legitimacy in NGOs are concerned. It identified two main components of legitimacy in NGOs. These are building credibility and agitating for change.

This study sought to contribute to the body of literature by examining the relationship between accountability and donor funding in Kisumu County.

Accountability is the lifeline of NGOs, and the inability to be and to remain accountable can jeopardise the relationship with the donor community and, in effect, affect the funding of NGOs. NGOs are expected to maintain minimum financial statements, including statements of comprehensive income, statements of financial position, and cash flow statements. With increased oversight by auditors, donor confidence is boosted, and funds flow is sustained.

A comparison between funding levels and accountability measures from 2008 to 2012 among NGOs in Kisumu County shows a close relationship. There has been increased funding over the years, except between 2010 and 2011, realised increased funding over the years except between 2010 and 2011, when there was a significant drop. This supports the findings of this study that accountability plays a significant role in donor funding. The increase in donor funding indicates that NGOs are still considered a significant player in developing society and as an alternative means of delivering essential services to the community.

This study outlines that the role of NGOs cannot be underscored in providing essential services to the communities and that the interrelationships among the various stakeholders, e.g. the government, the communities, the donors, the auditors and the oversight bodies, are crucial in accomplishing this goal. It is only possible to achieve this when the NGOs become proactive in being accountable and legitimate and perform as per the expectations of the said goals and objectives of the projects under implementation. The achievement of these results can be enhanced when the communities are involved and there is clear communication on the role of the players. As a result, this will increase donor support and, most importantly, enhance accountability. This is possible by seeking credible oversight from respected audit firms, some of which are listed by the donor communities.

6. Conclusions

The study concludes that other factors can influence donor funding apart from the three components of accountability discussed. These include inter-governmental relationships with the donor countries, the political

environment and the policy environment in which the NGOs operate. The study concludes that NGOs are accountable to the donors despite the existing gaps. NGOs kept the required financial statements and had competent staff, although the motivation was relatively low among them; they prepared reports required by the stakeholders and sustained funding to enable them to undertake their development goals. The study further concludes that the NGOs had no standards for reporting programmatic and financial components.

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