

**BUDGETARY PROCESS AND FINANCIAL PERFORMANCE OF NON-
GOVERNMENTAL ORGANIZATIONS IN KAKUMA REFUGEE CAMP,
TURKANA COUNTY, KENYA**

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DECLARATION

The work is my original and has not been submitted for an examination in any degree program in any other institution of higher learning.

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DEDICATION

The research project is eternally dedicated to my wife Lucy Nduta Kabaiku, my children Tyffany Ngulavi Misigo and Kyle Punguh Misigo for the cooperation and motivation they accorded me during this period. Also, much appreciation to my friends and classmates who offered moral support during the process of developing this research project.

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OPERATIONAL DEFINITIONS OF TERMS

Budgetary Process	It is a process that involves the creation and approval of the budget
Financial Performance	Is the financial accountability measuring the aggregate performance and examining the effectiveness of NGOs as far as stakeholders are concerned. It is measured by the use of financial resources and project deliverables.
Non-Governmental Organization	Is a not-for-profit organization that is independent of the state
Budgetary Formulation	Is an essential step in the process of securing financial resources for an organization. It considers management practices, planning, standards, and practices.
Budgetary Implementation	This is where a budget is executed to ensure that it follows the specific objectives and an organization. Therefore, implementation ensures that all activities planned to be executed are budgeted as per the donor's specifications and comprise participation, controlling mechanisms, and accounting programs.

Budgetary Monitoring

and Evaluation

tracking of how projects are progressing using indicators based on outcome and output. It focuses on performance targets, resource availability, and identification of weaknesses.

Governance

These are set relationships that define how the management of an organization operates based on a given structure in realizing its goals. The relationship is defined in terms of transparency, accountability, and discipline.

Refugee Camp

This is a temporary residence constructed to host refugees and offer various humanitarian aid.

ABBREVIATIONS AND ACRONYMS

ABB	Activity-Based Budget
ACEVO	Association of Chief Executives of Voluntary Organizations
BROP	Budget Review and Outlook Paper
BOD	Board of Directors
CBEF	County Budget and Economic Forum
DFID	Department for International Development
JIT	Just-In-Time
KCRP	Kenya Comprehensive Refugee Programme
NGO	Non- Governmental Organization
PFM	Public Financial Management
TQM	Total quality Management
UNHCR	United Nations High Commissioner for Refugee

ABSTRACT

Budgeting is considered one of the most useful and successful accounting tools aiding management in ensuring that financial resources are utilized efficiently. When budgeting is properly understood and implemented sufficiently will facilitate effective utilization of resources, improve decision making, and create benchmarks to measure financial performance. Budgeting is an essential tool in goal identification in organizations, responsibilities reassignment, and execution of these goals. Several NGOs in Kenya have been facing problems ranging from financial misappropriation to engaging in activities outside their mandate. The government closed down 14 NGOs over misappropriation of funds in Kenya in 2014. This was followed with strict regulations to curb the activities of NGOs. This caused the deregistration of over 500 non-governmental organizations and subsequently 900 more NGOs. The study investigated the influence of budgetary process and financial performance of NGOs in Kakuma refugee camp, Turkana County, Kenya. The study specifically targeted the role of budgetary formulation, budgetary implementation, and budgetary monitoring and evaluation on the financial performance of the NGOs in Kakuma Refugee Camp. In addition, the study determines the moderating role of governance on the relationship between the budgeting process and the financial performance of NGOs in Kakuma Refugee Camp. The study was anchored by four theories that include; incremental budgeting, the theory of change, priority-based budgeting and liquidity preference theory. The study employed a descriptive research design. The study targeted all 24 NGOs in Kakuma Refugee Camp which had 220 budget experts and was done within a period of six months from January to June 2023. Census approach was adopted by the study since the population was small. The questionnaire was the main research tool that the study employed in capturing information. After completing data collection, analysis was undertaken using SPSS version 22. The data was analyzed using this software to generate both inferential and descriptive statistics. Descriptive statistics involved mean and standard deviation while inferential statistic involved correlation and multiple regression models where the relationship of study variables were determined. It was found by the study that budget formulation affected financial performance significantly. In addition, budget implementation is a significant predictor of financial performance. Further, budget monitoring and evaluation had a positive and significant influence on financial performance. Likewise, governance moderated the relationship between budget making process and financial performance. Budget formulation, budget implementation, and budget monitoring and evaluation are essential in enhancing the financial performance of NGOs in Kakuma refugee camps. Further, governance is a critical enabler in the budgeting process and financial performance of NGOs in Kakuma refugee camps. There is a need to prepare a consolidated budget during formulation to capture all possible donors that are willing to assist and avoid errors of omissions and commission. The study recommends robust mitigation measures that address deficits during budget implementation. The study recommends collaboration of all stakeholders involved in the process so that possible gaps can be identified and mitigated appropriately. The study recommends the formulation of a policy that regulates the financing and usage of resources by NGOs. Audit plays an important role in strengthening the budgeting process in an organization. NGOs are generally characterized by weak audit and regulatory frameworks. Research should be done to examine the impact of audits on the budgeting and financial performance of NGOs.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Organizations are established with a clear goal and objective on what they are supposed to accomplish within a given lifespan. To achieve these goals and objectives organizations develop ways and means that have a clear plan (Jardioui et al., 2020). One of the most common plans that organizations initiate to achieve their targets is a financial plan that anchors financial performance. The financial performance of an organization features how financial resources are spent and how much is spent based on the availability of resources (Abongo, 2018).

Prudent utilization of financial resources is supposed to be embraced by every organization every time to realize desirable financial performance. One key feature that defines financial performance is the availability of funds to run daily activities that include expenses, purchase of long-term assets, and settling of unforeseen costs (Vernimmen et al., 2022). Financial performance involves appropriate management of cash flows to avoid deficits and surpluses that can jeopardize the operations of an organization. For an organization to achieve adequate financial performance then budgeting process of financial resources is supposed to be above board (Masakala et al., 2017).

The budgeting process is a strategy where an organization builds its budget (Pimpong et al., 2016). An appropriate budgeting process involves those parties that adhere to the budget with those implementing objectives that define the organization together with the budget. The process is a participatory one that involves a technical team and respective players with set timelines to accomplish tasks (Agbenyo et al., 2018). The process also should consider the management practices, standards, and practices. The

essence of setting a timeline in the budgeting process is to have an adequate chance of research, review, and feedback revision among others that is geared toward improving the process. The purpose of financial performance in the budget-making process is to align organizational objectives and goals to available resources and track how resources are utilized efficiently.

Budgets are a product of the monetization of targets set by individuals and organizations and are supposed to be realized. This is a deliberate move in attaining set goals in an organization. Ordinarily, these targets are shaped by previous experiences and anticipated expectations going into the future. One of the most common ways of achieving efficiency and effectiveness in an organization is setting up an appropriate budgeting process (Pimpong et al., 2016). An appropriate budget formulation process is essential for the management of organizations in effective planning, coordination, control, and evaluation of activities.

The budgeting process varies from one organization to another depending on the size of the organization. Formal budgets that are adopted by big organizations are undertaken by a dedicated team that constitutes a technical team. However, proprietors in some organizations are capable of preparing informal budgets and using them to run large organizations (Pimpong et al., 2016). Organizations can only be sustainable by preparing budgets and managing them appropriately. Budgets are made by organizations to facilitate planning, performance assessment, and control.

There can never be a good budgeting process without an aspect of good governance since the budgeting process is grounded on governance. Sound management is guided by a good budget but still, a good budget should reflect the true processes of an organization. Features of a good budget are associated with transparency, accountability, efficiency, effectiveness, and discipline and are associated with good

governance in the budget-making process. Egbide (2018) opined that good governance differs from one organization to another or from one country to another during budget making process. A rational budget prioritizes activities that have more benefit to the organization and a huge impact on the targeted beneficiaries rather than targeting a cluster of individuals that may not benefit the targeted group as planned (Kunnathuvalappil, 2020). Lack of aspect of good governance in the budget-making process may jeopardize the process thus affecting the efficiency of financial assets. The efficiency of budgeting can only be attained if the organization embraces good governance in making process.

Globally, several non-governmental organizations have embraced different forms of budget strategy. NGOs in the UK have well-defined financial management systems that are guided by the budgeting process (Khanna& Irvine, 2018). The budgeting process is defined by developing strategic interventions in place that include formulating business plans ranging from activities, work, cash flows, and feasibility. In United States NGOs budget making process is elaborate and participatory. In developing countries for instance south East Asia NGOs received funding from both donors and governments to help alleviate poverty and address other issues that any governments failed to address. In Sri Lanka funding of NGOs increased significantly ranging from donors to the government (Kimunguyi et al., 2015). The funding that came in millions of dollars helped Sri Lanka to stabilize and reconstruct several social amenities that were destroyed during the war was clear that NGOs had sound financial management.

Regionally, the financial performance of NGOs has been made with mixed reactions. According to Makita (2009), the government was forced to cancel the registration of NGOs predominantly in West African countries over irregular financial management.

This prompted several NGOs to rally behind each other to advocate for independent management and be allowed space to run their activities with minimal interference from the state. Kimunguyi et al., (2015) opined that many states across Africa tightened rules governing NGOs to minimize financial wastage that was wide spreading across the NGO fraternity. These regulations targeted embezzlement of funds, runaway corruption, and swindling of poor man's money by NGOs. In Botswana, local NGOs were seen as effective in running their funded activities and several beneficiaries cited these NGOs are flexible and deliver services efficiently as compared to government. One of the success stories of NGOs' resource efficiency was the eradication of HIV/AIDS in the country was commendable and this saw the number of cases declining significantly.

In Kenya, NGOs are faced with significant risks in policy although some strategies have been laid down to address them (NGOs report, 2013). This has impediments to the operations of several NGOs in the country. In 2014, the government cracked weep by deregistering 14 NGOs over misappropriation of funds and other funding activities prohibited by the state. Thereafter, 510 NGOs were deregistered over failure to avail audited accounts. This was escalated further in the following year when over 900 NGOs were deregistered over failure to comply financial management act established as per the law. Njiru and Muriithi (2018) opined that several NGOs in Kenya lack proper financial management systems that have hampered financial performance.

1.1.1 Budgetary Process

Budgeting is a crucial process that enables an organization each goals and without its application might hamper the organization's performance (Rafi et al., 2020). Every organization whether small, medium, or big heavily relies on budgeting and budgeting processes to achieve their strategic goals. Budgeting is instrumental in translating

overall aims and objectives into meaningful actions implementable thus determining the source and use of funds to allow evaluation performance (Kamau et al., 2017). Therefore, budgeting is a managerial tool that entails maintaining financial plans and control devices with evaluation instruments that enable decision-makers to achieve organizational goals and objectives.

Budgeting is considered one of the most useful and successful accounting tools aiding management in ensuring that financial resources are utilized efficiently (Mbogo et al., 2021). When budgeting is properly understood and implemented properly will facilitate the effective utilization of resources, improve decision-making, and create benchmarks to measure organizational performance. This tool of budgeting is essential in identifying goals, reassigning responsibilities, and executing objectives (Abdi& Mutswenje, 2023).

In general, organizations are always faced with competing interests characterized by demand exceeding available resources. This necessitates a process of prioritization and tradeoff of needs to undertake the proper allocation of resources (Lulaj, 2021). It is also possible to use the said tool in setting goals, allocating resources, and monitoring performance. Additionally, the budgeting process is important in linking organizational goals and allocation of resources together with human resources in attaining desired results. The budgeting process can only be desirable if management implements it within stipulated timelines and cost framework (Srithongrung et al., 2021). It should also follow the required standards and practices.

Budgeting is key in looking at future scenarios in advance meticulously by assessing the impact and its implication for the correct decision to be taken (Korir et al., 2020). The budgeting process is defined by decision-making that forms the critical part, especially in creating a conducive environment for management. Organizations use

budgeting as the primary means of internal control and effective allocation of resources (Fortuna, 2021).

According to Osebo et al. (2019), the budgetary process involves programming plans that focus on organizational objectives and overall output are prioritized first. Identifying programs is the second most important stage in budget budget-making process. The ranking of programs is based on cost, any program that attracts lower cost is prioritized while those with high cost are diminished. Organizations formulate plans that have a long-term lifespan to clear out financial goals and plans. Without budget formulation, it is impossible to determine operational performance. Comprehensive budget formulation is crucial in sustaining enterprise operations and its competitiveness in the market (Barngetuny, 2020). An adequate budget formulation process is essential in enhancing the efficiency and effectiveness of how financial resources are optimally utilized.

The capacity of an organization's management to realign budgetary usage as depicted by prioritized needs is supposed to be improved to attain an effective implementation process (Friyani & Hernando, 2019). The budget implementation process is expected to devise a strategy on how organization plans and programs are supposed to be attained efficiently and effectively through proper participation and control. Lack of adequate budget preparation has always been a challenge during the implementation process since it causes variation. Successfully implementing budgets involves the use of human resources since it enhances accountability.

Monitoring and evaluation in the budgeting process is associated with accountability. Implementation of monitoring and evaluation in the budgeting process requires a participatory approach that entails many processes which include planning, allocation, and review (Murei et al., 2017). The involvement of monitoring and evaluation in

budgeting promotes ownership and improves the delivery of project results through identification and improvement of weaknesses. Monitoring and evaluation entail tracking on progress of projects that are likely to have improvement on the overall performance of so many projects (Murei et al., 2017). The top-down budget-making process featured in many organizations is likely to be corrected by entrenching monitoring and evaluation in the budgeting process since it's a participatory process. Monitoring and evaluation are key in translating plan proposals from budgets to actions and importantly into desired results.

1.1.2 Governance

The aspect of governance in budget making process has gained more interest among many scholars in recent times especially openness in the process. Budget transparency which was initially underestimated has established itself as a pillar of governance in budget budget-making process. A paradigm shift has seen budget budget-making process embrace several strategies that enhance transparency, accountability, and public participation. Egibide (2018) identified discipline, efficiency, and effectiveness in budget making process as the key pillars required. Discipline is an ingredient in budget making process that entrenches sound financial management. Governance is essential in auditing and delivery of expected output in budget making process.

Budget discipline shapes how organizations or institutions operate within their purchasing power or resource availability (Alexeev et al., 2019). Adhering to budget discipline involves subscribing to certain principles that shape how an organization adheres to policies, budget calendars, approvals, and implementations. Indiscipline in resources management of any organization hampers the aggregate financial performance of the organization. Budget deficits recorded in many organizations are associated with a lack of discipline occasioned by the misappropriation of resources.

Budget processes that follow strictly laid down processes and standards avert resource wastage.

Transparency in the budgeting process promotes openness and instills confidence in the process thus allowing stakeholders maximum choices (Andriati, 2019). This entails competency in the process thus enriching decision making with a rational option. Transparency has four codes that shape the governance of the budgeting-making process including clarity of roles and responsibilities, availability of information, open preparation of the budget, and integrity in the report. Effective transparency in budgeting overtime amounts to accountability that improves governance in the process.

On the other hand, accountability in budget making process is one of the critical features of governance (Rainero& Brescia, 2018). Decision-makers who are answerable for their actions entrench accountability in the accounting process and budgeting. This involves an elaborate explanation of how allocated resources were utilized thus making the process a prudent utilization of resources that influence financial performance. Accountability involves monitoring inputs and outputs and making comparisons with other plans to ensure they align with resources available with no variations. A good budgeting process is guided by a sound institutional framework and principles. Established laws and principles are essential in managing organization resources.

1.1.3 Financial Performance of NGOs in Kakuma Refugee Camp

The process of measuring how the operations and activities of an organization meet financial obligations is what scholars conceptualize as financial performance. The measures can be used to compare the performance of other industries. The financial

stability of any organization largely depends on how they generate resources and render services to their clients meeting expectations. This points out how the organization carries out its internal processes such as paying staff, managing credit responsibilities, and offering quality services.

Financial performance is an important pillar in the existence of an organization and sustainability as well. It majorly focuses on the points where an organization achieves identified financial goals. One objective of an organization's financial goal is the maximization of wealth. This implies that organization management prioritizes anything that guarantees steady growth and anything that offers a buffer on risk. According to Mutswenje and Abdi (2023), superior financial performance is associated with better effectiveness and efficiency in utilizing organizational resources.

Some Organizations still have unreliable financial processes for turning organization policies into noticeable results. Organizations can have a mismatch between what is stated in their policy and what they can afford, this is attributed to poor coordination between planning and budgeting. Organization polices might differ greatly with their budgets due to lack of availability in their relations thus impending financial performance.

Financial performance is used as a determinant analysis in measuring the success of an organization by employing financial implementation rules (Mutswenje and Abdi, 2023). This is obtained by measuring the financial ratios of an organization based on a profitability scale that includes the solvency ratio, liquidity ratio, and activity ratio. The common financial ratios that measure financial performance are how efficiently assets and equities are utilized to generate profits normally referred to as return on asset and return on equity respectively. This measures how assets have been

appreciating or depreciating over time. The study adopted the use of profitability ratios to measure financial performance since it assesses the aggregate financial performance of an organization ranging from liquidity, activity, and solvency.

1.1.4 Kakuma Refugee camp NGOs

Kenya Comprehensive Refugee Programme (2016) states that Kakuma Refugee Camp came into existence in 1992 and is one of the largest refugee camps in Kenya with approximately 158,000 residents. The majority of the refugees at Kakuma have arrived from South Sudan (about 55 percent) and Somalia (about 25 percent). Kenya is one of the main recipients of refugees in Africa; last year, the number of registered refugees and asylum seekers was over 560,000 (UNHCR, 2023). About twenty-four NGOs are operating in Kakuma Refugee Camp. The coordination of the NGOs is controlled by UNHCR which is the body mandated to oversee the operations of other NGOs that are operating in the camp. Although the bigger portion of the funds comes from UNHCR the other partners also contribute some matching funds to their budget to meet the needs of the refugees and the surrounding community within Kakuma (UNHCR, 2023). The budgetary process begins with UNHCR meeting with the other stakeholders and outlining what they're to achieve during a particular year.

Michele (2011) urges that the budgetary process tries to ensure that the livelihood of the refugees and the local communities has been improved. To achieve this in the Refugee Camp each year UNHCR meets the stakeholders/partners every year to review its performance during a particular financial year and plan for the subsequent years based on the availability of funds.

1.2 Statement of Problem

NGOs are critical players in supporting areas of social economic sphere transformation where governments are unable to function well. In developing economies, many NGOs have offered immense support in health and education programs (Edwards, 2020). NGOs have been forefront of supporting countries that are faced with extreme humanitarian crises occasioned by natural calamities or artificial problems created by human beings. One of the most challenging problems that occasion humanitarian crises is wars and conflicts (Edwards, 2020). African Countries have been experiencing political turmoil and this has resulted in wars. South Sudan youngest nation in the world experienced political turmoil and several areas suffered from conflict that resulted in a humanitarian crisis. This led to the migration of her population to Kakuma in Turkana County. Donors have been offering humanitarian aid both in kind and financial support in this camp. However, the financial management of several NGOs in the country has been a matter of concern (UNHCR, 2016).

Several NGOs in Kenya have been facing problems ranging from financial misappropriation to engaging in activities outside their mandate. The government closed down 14 NGOs over misappropriation of funds in Kenya in 2014 (UNHCR, 2016). This was followed with strict regulations to curb the activities of NGOs. This caused the deregistration of over 500 NGOs and subsequently 900 more NGOs (UNHCR, 2016). All these were attributed to poor financial management and inadequate budgeting processes. Several NGOs lack a proper budgetary policy and strategy hence it becomes easier to misappropriate funds. The lack of a strong regulatory framework and accountability mechanism is attributed to inadequate comprehensive policy on budget budget-making process. Examining the budgetary

process and how it impacts financial performance, therefore, is important to better understand the role of budgeting in the success of NGOs.

There is a need to have a comprehensive budgetary process for NGOs to manage their financial processes efficiently and effectively. An effective budgetary process is likely to foster donors' confidence in the prudent utilization of funds (Aldashev & Navarra, 2018). This can attract more funding to these important players in transforming the social and economic space of developing economies. Their role cannot be underestimated especially in areas where governments are not able to provide services as desired.

Several studies have focused on the implications of the budgeting process on the performance of financial indicators of an organization. Kamau et al. (2017), Keng'ara and Makina (2020) and Kimunguyi et al. (2018) focused on the influence of budgeting on financial indicators and predicted a positive relationship. However, Orendo and Muturi (2017), found out that the budgeting process had a negative influence on financial performance. Osebo et al. (2019) and Muranga (2017) both focused on the role of budget implementation on financial performance while this study employed a descriptive research design. Chepkorir et al. (2021) focused on the significance of budget implementation on financial performance by employing a correlation design, this resulted in a methodological gap.

1.3 Objectives of the Study

1.3.1 General Objective

The main aim of the study is to investigate the influence of the budgetary process and financial performance of non-governmental organizations in the Kakuma refugee camp, Turkana County, Kenya.

1.3.2 Specific Objectives

- i) To determine the effect of budgetary formulation on the financial performance of non-governmental organization operations in Kakuma Refugee Camp.
- ii) To determine the effect of budgetary implementation on the financial performance of this non- governmental organizations in Kakuma Refugee Camp.
- iii) To determine the effect of budgetary monitoring and evaluation on the financial performance of this non- governmental organizations in Kakuma Refugee Camp.
- iv) To determine the moderating effect of governance on the relationship between budgetary process and financial performance of non-governmental organizations in Kakuma Refugee Camp.

1.4 Research Hypothesis

The study examined the following hypotheses:

H₀₁: Budgetary formulation has no significant—influence on the financial performance of non-governmental organizations operating in Kakuma Refugee Camp.

H₀₂: Budgetary implementation has no significant influence on the financial performance within non-governmental organizations operating in Kakuma Refugee Camp.

H₀₃: Budget monitoring and evaluation has no significant influence on the financial performance of non-governmental organizations in Kakuma Refugee Camp.

H₀₄: Governance has no significant moderating effect on the relationship between the budgetary process and financial performance of non-governmental organizations in Kakuma Refugee Camp.

1.5 Significance of the Study

The importance of this research to non-governmental organizations operating in Kakuma Refugee Camp located in Turkana County and all other NGOs without exception, is to understand the intricacy of the budgeting Process and the role of its influences on financial performance. It proves the usefulness of the budgetary process to similar NGOs in any Refugee Camp operating in Kenya, as it brings out the single most quantitative factor of financial performance taking into consideration the budgeting process.

This could act as a benchmark for measuring the success of budgetary systems. The process of budgeting process is becoming vital in the current global market that is becoming competitive. It is considered one of the core just-in-time or quality in management and in most cases uses electronic operating data accumulation devices (Drury, 2008).

It is important to various donors who fund various projects within the Refugee Camp since it's used in measuring the impact of funds already funded to various NGOs. These findings also provide information to various parties of interest regarding comparing performance. The result can be used by other stakeholders in knowing the contributions of budgeting in prudent utilization of resources among various non-governmental organizations operating in a Refugee set up, of significance to the NGO council as it regulates the operations of non-governmental organizations operating in Kenya.

It may equip researchers with information on the vital role budgeting plays in streamlining the management of financial indicators of non-governmental organizations operating in Kakuma Refugee Camp. This research will form part of the future agenda for scholars in enriching relevant literature. Finally, the study is useful to academicians as a model of study on budgetary systems in non-governmental organizations operating in any Refugee Camp. The study will motivate scholars to see the need for further studies in other aspects that might be affecting budgeting and financial performance like audit. Audit plays an important role in strengthening the budgeting process in an organization (Kang'aru & Tirimba, 2018). Non-governmental organizations are generally characterized by weak audit and regulatory frameworks. Doing research to examine the impact of audits on the budgeting and financial performance of non-governmental organizations is, therefore, important.

1.6 Scope of the Study

The study focused on the non-governmental organization in Kakuma Refugee Camp in Turkana County that are registered in Kenya but funded by the United Nation High Commissioner for Refugee (UNHCR). There do exist both large and small NGOs whose details are unidentified by sampling frame. The study explained the influences of the NGO budgetary process on financial performance through budgetary formulation, budgetary implementation, budgetary monitoring and evaluation, and NGO governance.

1.7 Limitations of the Study

During the study, the research experienced difficult in addressing questions adequately following what was experienced while carrying out research among non-

governmental organizations in Kakuma Refugee Camp. Respondents were reluctant to give financial information owing to its sensitivity. The respondents were assured that their ideas and responses would be treated with utmost confidentiality. There were also the issues of transparency or the degree of accessing the information on budgetary records and financial documents from the various NGOs operating in Kakuma Refugee Camp because NGOs do not publish financial records and accessing such documents is much more difficult due to the reluctance of agency officers/NGO staff to share relevant financial information to the general public (UNHCR, 2016). The researcher assured the respondents that their responses would only be used for the purpose of academic research and nothing else. The accuracy of the data or reliability of the data obtained from the NGOs impacts the scope of my analysis or the size of the sample, which might be an obstacle in finding a trend analysis of the budgetary process and financial performance of non-governmental organizations operating in Kakuma Refugee Camp. It helps in discovering any limitation which is useful in identifying the gaps as levelled in the literature review.

1.8 Organization of the Study

The study is made up of five major chapters. The first chapter was an introductory of the study which gave the introductory part of the research problem. The second chapter dealt with a review of the literature covering the respective subtopics that revolved around the budgeting process and financial performance. It also examined theories that anchored the study. The third chapter of the study assessed the methodology that the study employed and it commenced with the mode of research methods and design that enabled collection of data from the source. It also examined how research instruments are tested before the study commences. Chapter four is devoted to data analysis and presentation of findings as outlined by objectives that

guide the research. The section provided general information regarding the relationship of variables. It begins with respondents participating in the survey, descriptive statistics, and inferential statistics analysis based on the research questions of the study. Chapter Five is devoted to the summary, conclusion, and recommendations based on the study findings.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter covers a literature review based on the research topic being studied. It presents their theoretical review, empirical review based on research objectives being studied, and research gap that exists and those that the study intends to fill.

2.2 Theoretical Literature

The study was anchored by liquidity preference theory and supported by incremental budgeting theory, priority-based budgeting theory, and theory of change.

2.2.1 Liquidity Preference Theory

Liquidity preference theory was formulated by John Keynes in 1930 and states that investors tend to prefer assets with higher returns when it comes selection of investments that have high yields. The investment market is characterized by speculative demand where investors are faced with choices of precautionary motive, transactions motive, and speculative motive. The speculative is defined by the level of income and liquidity preference.

The theory demands that a firm is supposed to have cash to run daily operations. The theory focuses on the money supply and money demand market determined by interest rates. This theory was criticized because it focused on money and interest rates yet other factors influence how the financial market performs upon relying on other factors such as productivity.

The theory is important because all financial performance indicators largely depend on demand that at times is speculative. NGOs are supposed to remain liquid to meet

their daily operations. Failure to meet daily financial obligations by NGOs hampers its financial performance.

2.2.2 Incremental Budgeting Theory

Incremental budget theory was proposed by Aaron Wildavsky in the 1960s and is premised on how the budgeting process is supposed to be executed based on historical records of previous transactions. The theory suggests that the principle of expenditure determines how budgeting is undertaken based on economic growth and redistribution of resources. Wildavsky (1966) argued that budgeting is always initiated from the current proposed spending of the project and an adjustment room is created to allow surplus or deficits.

In the absence of historical data on previous years, the budgeting process can be projected using the existing figures or any other provisional data available that can be of help. This theory is the most regarded in explaining the budgeting process because it lays the basics that form the budgeting process. According to Schick (2014), this theory offers a prescription of how the budgeting process works. NGOs like any other organization are supposed to budget based on both the current and previous spending.

This theory has been applied in formulating budgets in countries like the UK, and Northern Ireland among others. It involved carrying forward the previous spending and adjusting it to suit the current budget estimates based on known factors. This theory was based on the assumption that available resources are a key determinant of budgeting and can be adjusted based on changes. The theory is faced with some limitations that have attracted critics. One of the single out is the allocation of resources based on the previous and current patterns when at times activities might have changed rapidly and issues are not addressed adequately. Thus, this concept does

not encourage the reformulation of new ideas and concepts for improving the budgeting process. The significance of this theory is to guide institutions on how to develop a budget based on previous expenditures and make adjustments subject to the prevailing conditions.

2.2.3 Priority-Based Budgeting Theory

Priority-Based Budgeting theory was developed by Kavanagh, Fabian and Johnson in 2011 and is based on how resources are allocated based on priorities to meet expectations (Kimunguyi et al., 2018). It was modified from a zero-based approach and is based on firm priorities and allocations that are meant to generate growth and savings in the budget. In most cases, this theory focuses on a comprehensive review of activities that are supposed to be achieved. This review involves the adjustment of objectives and services to meet certain standards. These services are classified based on their importance and overall impact on the decision-making of the organization.

This theory is significant to the study because it emphasizes prioritizing the critical components in a plan. Prioritizing key components in the budget will enable the organization to realize its objectives and goals. This can be attained by laying down a systemic approach that can address issues efficiently and effectively through a process that has tenets of accountability and transparency.

2.2.4 Theory of Change

The theory of change can be traced to Peter Drucker. The theory was widely used in the 1990s. Discussing the theory Cathy (2011), argued that there was a change between the rich and poor when organizations had to implement the planned objectives that made a difference in the life of the community members (Reinholz & Andrews, 2020). Freire and Nyerere (1984) proved that change is brought about by

ensuring that we implement projects differently and consistently in reducing the cases of poverty by examining unique cases and mitigation measures.

They advocated for combining this theory and action to ensure that we have proper planning and implementation of such plans to bring about change and development. In the report on Equal Access Participatory Monitoring and Evaluation toolkit by June et al. (2011), for one to experience change their needs to be proper planning and ensuring that we can monitor all stages of any project implementation where one will do some monitoring and evaluation of the projects.

Budget Monitoring and evaluation methodologies are the Most Significant Change technique and participatory techniques that help one to understand what ‘success’ or ‘change’ means at the local level where the non-governmental organizations are operating. The theory of change approach was developed by (Keystone Accountability, 2009) and was designed to help one ask questions such as the pathways that are used to bring change in the community through budgetary monitoring and evaluation.

This theory provides a road map that indicates the assumptions underlying the budgetary process on financial performance. It shows what happens in the community by creating the bigger picture of the process of change, the process of developing this theory of change is very useful since it requires all stake holders to work together to achieve their vision by focusing on the outcomes of each stage of implementation. While doing budgetary monitoring and evaluation the NGOs can measure if there is a change in the livelihood of the refugees and the surrounding community as a result of good budgetary process amongst the NGOs operation within the refugee camp.

2.3 Empirical Literature Review

Past studies on budgetary formulation, budgetary implementation, budgetary monitoring and evaluation, and Governance on the financial performance of non-governmental organization operations in Kakuma Refugee Camp. The empirical review of the studies follows the format, who conducted the study, year, methodology adopted, findings, and critique of the study.

2.3.1 Budgetary Formulation and Financial Performance of Non-Governmental Organization Operation in Kakuma Refugee Camp

While assessing the budgetary process effect on health NGOs in Muranga County, Kimunguyi et al. (2018) employed a descriptive research design. Good budgetary management practices of NGOs influenced their financial performance positively. Budget formulation creates a conducive environment for efficiency and effectiveness in resource utilization, improves decision-making, and provides a benchmark for measuring financial performance. Budget formulation is an indicator of employee performance. Poor budget formulation has been associated with poor financial performance of several NGOs. The study did not indicate the net effect of budget formulation on financial performance resulting in an analytical gap.

Examining the budgetary process of Non-Government Organizations in Bihar on financial performance Rayees (2022) employed a correlational research design. Budget making process needs competency to enhance the smooth formulation of budgets. Training of personnel in budget making process has a positive effect since skill development is necessary in formulating a good budget. Adequate skills improve the budget formulation process thus enhancing financial performance. The study

adopted a correlational research design against the proposed study that employed a descriptive research design resulting in a methodological gap.

Assessing the effect of the budgetary process on organizational performance Keng'ara and Makina, (2020) adopted a descriptive research design. The budgetary process affected the performance of financial indicators positively. Budget emphasize and strategy are critical to financial performance. Appropriate formulated budget devoid of political interferences achieves the objective of the organization. Adhering to budgetary standards in its formulation process is critical to enhancing goals. The study looked into the implications of the budgetary process on financial performance without specifying how is supposed to be formulated leading to a conceptual gap.

A case study of USAID-funded projects among NGOs in Kenya was investigated by Orendo and Muturi (2017) on financial planning on financial performance using descriptive research design. The study established that budget formulation negatively influenced financial indicators performance. All the individuals responsible for achieving results are supposed to be involved in budget formulation. There is a need to have an understanding of the budgeting formulation process. Communication is key in the budgeting formulation process since it creates understanding. This is because a successful budget formulation process aids a smooth cash flow in NGOs. Several studies have predicted that budget formulation is positively related to financial performance while the finding of this study negates this position and this resulted in a conceptual gap.

Investigating the role of internal control in the budgeting of NGOs in Uganda Jakait (2018) employed a descriptive cross-sectional survey design. It indicated that budgetary formulation influenced financial performance positively. Budget formulation aids planning, activities coordination, and evaluation of performance to

ensure that activities conform to norms. Ordinarily, two areas are made a priority during the budget formulation process including activities that determine funding and the amount of resources required. In prioritizing the activity rehabilitation is key in ensuring that resources are adequately utilized (Jakait, 2018). The study incorporated the joint effect of budget control and budget formulation resulting in a conceptual gap since this study focused on budget formulation.

2.3.2 Budgetary Implementation and Financial Performance of Non-Governmental Organization Operation in Kakuma Refugee Camp

Analyzing determinants of budget implementation of NGOs in Kakamega, Mudeheli et al. (2020) using descriptive survey design. Budget implementation is determined by the level of participation, control measures, and financing regulations. Proper NGO management involves strengthening stakeholder participation and investment in control that increases adherence to financial regulations through an established framework. Stakeholders should also be involved in budgeting to cooperate their views so that implementation may become easier (Mudeheli et al., 2020). Various obstacles hamper the budget implementation process including a lack of dynamic structure and integration are the outstanding drawbacks affecting the budget implementation process. The study focused on determinants of budget implementation while the proposed study focused on the effect of budget implementation on financial performance, and this resulted in a conceptual gap.

Analyzing the role of budgeting on organizational performance Osebo et al. (2019) adopted an explanatory research design. The existence of poor controlling mechanisms adversely affects the budget implementation process hampering the

financial performance of an organization. Budget implementation seems to be the least successful part of the budgeting process occasioned by poor matching between organizational goals and firms. This study adopted an explanatory research design while the proposed study employed a descriptive research design thus creating a methodological gap.

While analyzing the effectiveness of budgetary control techniques Mohamed et al. (2017) employed the descriptive and retrospective techniques of research designs. It was noted that zero-based budgeting implementation is effective on financial performance. This is because it is flexible and minimizes costs. The budget implementation is only credible and rewarding when this method is employed since efficiency is crucial. Proper management of the accounting system improves the budget implementation process. The study narrowed to zero-based budgeting implementation while the proposed study focused on all forms of budget and this amounted to a conceptual gap.

Examining performance and budgeting of Corporations Kamau et al. (2017) used descriptive research design. Budget implementation significantly and positively influenced the financial performance of state corporations. Budget implementation is capable of causing variance in the entire process. NGOs are supposed to devise effective budget implementation processes to monitor expenses and revenue thus cash flows remain adequate. Weak institutional frameworks hampered the implementation of budgeting in most organizations. The study put more emphasizes on State Corporations while the proposed study focused on NGOs and this resulted contextual gap.

Investigating the role of budgeting on indicators of financial performance of Muranga, Kibunja (2017) used an explanatory non-experimental descriptive research design. It

was found that budgeting implementation influenced financial performance significantly. Poor capacity building inhibits the budget implementation process thus hurting financial performance. Another strong pillar of budget implementation is the participation of all the stakeholders in the process. The previous study employed an explanatory research design that was different from what this study employed thus resulting in a methodological gap.

2.3.3 Budgetary Monitoring and evaluation and Financial Performance

Assessing the relationship between budgetary monitoring and evaluation Chepkorir et al. (2021) used a correlation survey research design. Budgeting significantly affected the financial performance of the Kericho County government. The budgetary monitoring process is characterized by the subsequent stages; setting performance targets or standards to be achieved by many departments that form the organization, informing the relevant bodies that are part and parcel of budgetary policy for easy setting of targets, and appreciation of the targets that have been set. This will be important as it improves ownership of the performance outcomes at the end of the budgetary period. The study employed a correlation survey research design while the proposed study employed a descriptive research design resulting in a methodological design.

Assessing the sustainability of NGOs based on the budgeting process Wandera and Sang (2017) adopted a descriptive research design. According to the study finding monitoring and evaluation aspect of budgeting is essential in attaining desired financial performance. Involving stakeholders in budgeting is crucial in the management of resources prudently. In most cases, the management of an organization is measured by the frequency with which the stakeholders are involved in the budgeting process. The study focused on the influence of budgetary monitoring

and evaluation on financial sustainability while the proposed study narrowed to financial performance, and this resulted conceptual gap.

Examining the role of monitoring financial budgeting on the sustainable performance of NGO governance Chelangat and Sang (2018) used descriptive research design. Usage of monitoring and evaluation in budgeting is key to realizing financial performance. However, several NGOs have not embraced this practice fully. This process can only be feasible if available resources are utilized as per the guided regulations. The study focused on financial monitoring and evaluation of the sustainability aspect of budgeting on financial sustainability while the proposed study focused on budgetary monitoring and evaluation of financial performance, and this led to a conceptual gap.

Examining the role of budgetary monitoring and evaluation on the financial performance of NGOs Karanja and Yusuf (2018) used a descriptive survey research design. Monitoring and evaluation make budget making process inclusive. It helps to track changes in the budget by controlling and allowing delivery within the process. It is a parameter that indicates when plans are going as scheduled and when an improvement is needed. Monitoring and evaluation are essential in identifying areas within the budget adjustment and improvement. The finding of the study did not establish the net effect of budgetary monitoring and evaluation on financial performance on financial and this resulted in an analytical gap.

2.3.4 Budgetary governance and Financial Performance

Assessing good budgeting and good governance Egbi and Agbude (2014) employed an exploratory research design. The budgeting process is not only a technocratic process but also involves governance where transparency, accountability, and

discipline in the budgeting process are key for better financial management. Governance and budgeting are complimentary since principles of governance are heavily borrowed by the budgeting process. The budgeting process is a clear indicator of governance. There are attributes of governance that streamline the budgeting process and these include transparency, accountability, and discipline. The study adopted an exploratory research design while the proposed study adopted a descriptive research design and this resulted in a methodological gap.

Assessing implications of budgeting on performance Karkatsoulis (2010) used correlational research design. Governance is key in developing effective mechanisms that help to monitor the budgeting process. This is mostly defined by those indicators that measure and evaluate policies. The strategic forecasts are always limited by the high cost of investment that needs complex attainment. This study adopted a correlational design while the proposed study employed a descriptive research design and this result methodological design.

Rafindadi and Olanrewaju (2019) stated that NGOs should ensure that they practice proper disclosure that relates to their ownership and management structures. Acevo Annual Report and Accounts (2013), good governance is increasingly essential for charities, conducted a survey to review the state of governance in the charity sector and made recommendations on how they should improve on its performance.

Assessing participatory budgeting and its implications on organizational performance Bueleat al. (2020) adopted an exploratory research design. The study found that low levels of planning compliance enhanced organizational performance. Governance is linked to how the involvement of citizens in efficient and effective methods affects service delivery significantly. The study was narrowed to participatory budgeting an

aspect of governance. The proposed study majored in the effect of governance on financial performance thus resulting in a conceptual gap.

2.4 Summary of Literature and Research gaps

A summary of knowledge gaps is highlighted here. Studies critiqued are related to the budgeting process and financial performance of NGOs in Kakuma Refugee Camp.

Table 2.1 Summary of Literature

Author and Year	Focus	Findings	Gaps	Focus of Study
Chepkorir et al. (2021)	Relationship between budgetary monitoring and evaluation and organizational performance	The study concluded that budgetary monitoring had a significant impact on the financial performance of the county Government of Kericho.	The study employed a correlation survey research design while the proposed study employed a descriptive research design resulting in a methodological design.	the proposed study employed a descriptive research design
Karkatsoulis (2020)	Crisis effect on performance-based budgeting	Governance creates a fertile ground for the establishment of new, more effective mechanisms to monitor the	This study adopted a correlational design while the proposed study employed a descriptive research design	the proposed study employed a descriptive research design

		budget that enhances financial performance.	and this result methodological design.	
Buele et al. (2020)	participatory budgeting and its implications on organizational performance	The study found that low levels of planning compliance enhanced organizational performance.	The study was narrowed to participatory budgeting an aspect of governance, the proposed study majored in the effect of governance on financial performance thus resulting in a conceptual gap.	proposed study majored on the effect of governance on financial performance
Keng'ara and Makina (2020)	Effect of budgetary process on organizational performance	The budgetary process has a positive influence on the financial performance of an organization.	The study looked into the implications of the budgetary process on financial performance without specifying how is supposed to be formulated leading to a conceptual gap.	The study focused on the effect of the budgeting process on financial performance.
Mudeheli et al. (2020)	Determinants of budget	Budget implementation	The study focused on determinants	proposed study focused

	implementation of NGOs in Kakamega	is determined by the level of participation, control measures, and financing regulations.	of budget implementation while the proposed study focused on the effect of budget implementation on financial performance and this resulted in a conceptual gap.	on the effect of budget implementation on financial performance
Osebo et al. (2019)	Impact of budgeting process on organizational performance	The existence of poor controlling mechanisms adversely affects the budget implementation process and hamper the financial performance of an organization.	This study adopted an explanatory research design while the proposed study will employ a descriptive research design thus creating a methodological gap.	the proposed study employed a descriptive research design
Kimunguyi et al., (2018)	Budgetary process effect on health NGOs	Good budgetary management practices of NGOs influenced their financial performance positively.	The study adopted a correlational research design against the proposed study that employed a descriptive research design resulting in a	This study adopted a descriptive research design

			methodological gap.	
Jakait (2018)	Effect of budgetary control and financial performance of NGOs	It indicated that budgetary formulation influenced financial performance positively.	The study incorporated the joint effect of budget control and budget formulation resulting in a conceptual gap since this study focused on budget formulation.	The study focused on the effect of the budgeting process on financial performance.
Chelangat and Sang (2018)	financial monitoring and evaluation on the sustainability of public governance	The study established that budgetary monitoring and evaluation significantly influenced financial sustainability.	The study focused on financial monitoring and evaluation of the sustainability aspect of budgeting on financial sustainability while the proposed study will focus on budgetary monitoring and evaluation of financial performance and this led to a conceptual gap.	proposed study focused on budgetary monitoring and evaluation of financial performance
Karanja and	Role of	Monitoring and	The finding of the	The study

Yusuf (2018)	budgetary monitoring and evaluation on the financial performance of NGOs	evaluation make budget making process inclusive.	study did not establish the net effect of budgetary monitoring and evaluation on financial performance on financial and this resulted in an analytical gap.	focused on budgetary monitoring and evaluation of financial performance
Orendo and Muturi (2017)	Effect of budget planning on financial performance A case study of USAID	All the individuals responsible for achieving results are supposed to be involved in budget formulation.	Several studies have predicted that budget formulation has a positive influence on financial performance while the finding of this study negates this position and this resulted in a conceptual gap.	The study predicts a positive and significant relationship between study variables.
Mohamed et al. (2017)	Effectiveness of budgetary control techniques	The study established that zero-based budgeting implementation is effective on financial performance.	The study narrowed to zero-based budgeting implementation while the proposed study focused on all forms of budget and this amounted	proposed study focused on all forms of budget for financial performance

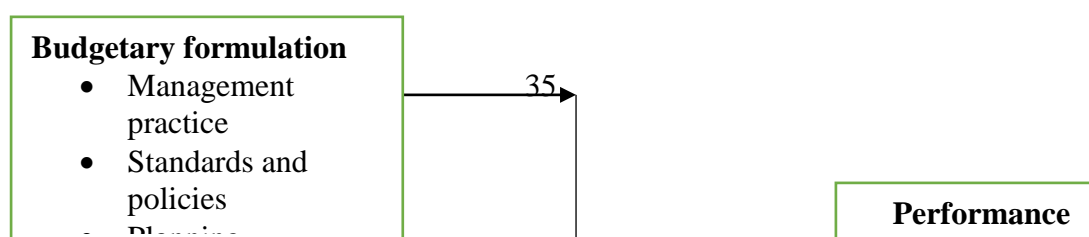
			to a conceptual gap.	
Kamau et al. (2017)	Effect of budgeting process on the performance of State Corporations	The study established that budget implementation significantly and positively influenced the financial performance of state corporations.	The study focused on State Corporations while the proposed study focused on NGOs and this resulted contextual gap.	The study focused on the effect of the budgeting process on financial performance.
Kibunja (2017)	Budgetary process and financial performance of county government	The study concluded that the budgetary process involving implementation influenced financial performance significantly.	The study employed an explanatory research design while the current study employed a descriptive research design thus resulting in a methodological gap.	The study focused on employing a descriptive research design
Wandera and Sang (2017)	Effect of Financial Management Practices and Sustainability of Non-Governmental Organizations	Study findings indicated that there is a significant and positive relationship between budgetary	The study focused on the effect of budgetary monitoring and evaluation on financial sustainability while the	proposed study focused on the effect of budget implementation on financial performance

	Projects	monitoring and evaluation and the financial sustainability of NGOs in South Sudan.	proposed study will narrow to financial performance and this resulted conceptual gap.	
Egbide and Agbude (2014)	Good budgeting and good governance	The budgeting process is not only a technocratic process but also involves governance transparency, accountability, and discipline in the budgeting process for better financial management.	The study adopted an exploratory research design while the proposed study adopted a descriptive research design and this resulted in a methodological gap.	the proposed study adopted a descriptive research design

2.5 Conceptual Framework

A conceptual framework is a complete diagram that has the variable that the researcher wishes to study. It is usually in the form of figures or visual illustrations used to show the major variables (Kothari, 2008). Figure 2.1 shows the relationship between independent variables (budgetary formulation, budgetary implementation, budgetary monitoring and evaluation, and Governance a moderator) and the financial performance of non- governmental organizations in Kakuma Refugee Camp.

Budgetary Process



Dependent

Moderator

Independent

Figure 2.1 Conceptual Framework

Source: Researcher, (2023)

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter elaborates on the research methods to be employed in answering the research objectives. The section examined the research philosophy, design of research, population of the research, and technique that was used in sampling. The study also presents the operationalization and measurement of variables, data collection instruments, and data analysis.

3.2 Research Design

Research design is key in setting the foundation of the study and descriptive research design was employed in this research. This design is essential in investigating and formulating subjects through developing a profile that is centered on issues, events, and people, data is needed for tabulation so that this process can be completed (Cooper & Schindler, 2007). This design can be actualized by bringing in a snapshot of how the market environment is made up of given the question surrounding time. This can be made possible by the nature of the design that examines several research questions such as what, when, how, and where regarding the interest of the research as defined by variables.

This design is critical in answering research questions and thus offers solutions to inquiry. In most cases, these designs are guided by issues relating to the nature of the data that is being sought since there are several designs developed depending on the purpose (Nardi, 2018). A descriptive research design was adopted in this study (Taguchi, 2018). This is because it explains the causal relationship of variables and more so gives the deeper and more elaborate causes of a phenomenon (Taguchi, 2018). Ordinarily, in some circumstances, causation is deduced. This design commonly utilizes hypotheses and theories in investigating factors that create a phenomenon and this makes descriptive research design the most appropriate for this study.

3.3 Target Population

The population of the study comprised all the 24 registered non-governmental organizations working in Kakuma Refugee Camp from the year 2016 to 2022 according to the Kenya Comprehensive Refugee Program (KCRP). The target

population was 24 NGOs funded by UNHCR and approved to work in Kakuma Refugee Camp. Kakuma Refugee Camp is the biggest refugee camp in the world and, as a result, provided an opportunity for study to do comprehensive research. The unit of observation was managers, accountants or financial managers, and project coordinators of the NGOs working within the refugee camp which are 220 in total.

3.4 Sampling and Sample Size

Sampling is a research methodology that involves selecting a certain number of subjects from a universe to represent them (Schindler et al., 2011). This method is a deliberate strategy where several people are selected to participate and a general conclusion is drawn from their responses. The common law that decides sample size is the extent sample represents the population. This study used the census as a sampling method where all the NGOs operating in Kakuma were considered. Census was used because the size of the population is small and can be studied in entirety. The use of a census also is good to get a clear picture of the variables under study.

3.5 Data collection Instrument

The study relied on primary data. Primary data was collected using a structured questionnaire. The questions are framed with specific answers in this questionnaire. It was comprised of three parts that include the first, second, and third sections. The first section consists of general information, the second part is made up of the budgeting process and the third part consists of financial performance. The research administered questionnaires for managers, accountants, or financial managers in each of the 24 NGOs. The research employed a drop-and-pick strategy. The management of NGOs took the lead in this survey. The study explained to each respondent the importance of the study and gave enough time for the respondent to fill out the

questionnaire. The study explained to the respondents every part of the questionnaire to make the work of the respondent easier.

3.5.1 Validity Test

Validity in this research was sought by getting the opinions of the technical team in their specific field and NGO experts working in Refugee Camps in Kenya. Validity is defined by the nature of data collected subject to accuracy and usefulness (Saunders et al., 2009). The validity of this research was determined by the instruments that the experts used to assess the importance of each item in the research instrument as per the study targets. This was rated on a scale of 1 (No Extent) to 5 (Very large Extent). CVI was obtained by adding up the items in each identified objective and eventually getting the total score which was used to test the validity of the data. Based on the output where the total score is stated with a significance level of 5% and the number of respondents is 200 the total score of 0.730 was obtained in budgetary formulation, 0.530 in budgetary implementation, 0.820 in budgetary monitoring and evaluation, and 0.676 in financial performance. Therefore, it was concluded that the results satisfy the objectives under research.

3.5.2 Reliability Test

Research instrument reliability was enhanced through a pilot survey where the research instruments were protected by having backup data to guard against system failure or data loss. These produced results were summarized, compared, and generalized on the researched topic. Reliability measures the extent to which research instruments are consistent (Mugenda and Mugenda, 2003). Cronbach alpha coefficient was used to test the reliability of research instruments. The Cronbach's alpha calculated resulted in the value of the alpha coefficient that ranged from 0 to 1

describing the reliability of factors under investigation and obtained from a multi-point formatted questionnaire scale (that is, rating scale: 1 = No extent, 5 = very large excellent). The research is reliable if the Cronbach's alpha value is >0.5 and unreliable if it is <0.5 (Saunders, 2009) whereby a Cronbach's alpha of 0.50 to 0.70 means that the reliability is quite high. When generated values are high then reliability is certain. The rule indicates that when calculated values are above 0.5, then instruments are reliable and acceptable. A re-test was also deployed to compute the correlation coefficient.

Table 3.1 Reliability Result

Variables Items	Cronbach's	Alpha
Budgetary Formulation	0.552	6
Budgetary Implementation	0.685	5
Budget Monitoring and Evaluation	0.808	5
Financial Performance	0.677	5
Governance	0.885	4

Source: Researcher, (2023)

3.6 Data Collection Procedure

In the study, structured questionnaires were used. With the aid of two study assistants, the respondents self-administered questionnaires. The survey was completed by the managers and directors. According to Marshall and Rossman (2010), questionnaires are excellent for research because they gather data that is not immediately apparent by asking participants about their feelings, motives, attitudes, successes, and experiences.

3.7 Data Analysis and Presentation

Data collection commences with editing the questionnaire to have the consistency that is required. This involved a review of the questionnaire to ensure uniformity. Cleaning of data started with editing, tabulation, and coding to ensure that every information is given a unique identifier. This also removed any abnormalities that were present in the data. The analysis employed inferential and descriptive statistics in analysis where results are illustrated in tables and graphs. The relationship of study variables was measured using a multiple regression model that was stated as follows;

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon$$

Where:

Where: X_1 =Budget Formulation through accountability by planning and coordination.

X_2 = Budget Implementation through effectiveness in implementation.

X_3 = Budget Monitoring and Evaluation through measuring productivity in outputs and

Inputs.

X_4 = NGO governance by measuring the performance.

E= Error term

β_0 = Intercept

FP= Financial Performance

3.8 Ethical Consideration

The scholar must be compliant with Kenyatta University rules and regulations. Once approved by the institute, the scholar obtained data from second hand sources as established earlier. Therefore, the researcher ensured that data is protected hence complying with the terms and conditions established by Kenyatta University and NACOSTI. The researcher was obligated to ensure the integrity of all the organizations for data collection as well as analysis remain confidential and are used for this study purposes only.

CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSION

4.1 Introduction

This section presents how study findings are analyzed, interpreted, and presented. The section commences by examining the response of the study. Thereafter, it proceeds to assess the demographic features of the population. The study proceeds to examine various statements regarding study objectives based on mean and standard deviation. Further, study variables were determined using inferential statistics that involved correlation and multiple regression models.

4.2 Response Rate

The researcher distributed 220 questionnaires to the targeted respondents and response rate results are presented in Table 4.1.

Table 4.1 Response Rate

Questionnaire	Frequency	Percentage
Returned	200	91.0
Not returned	20	9.0
Total	220	100

Source: Researcher, (2023)

The researcher distributed 220 questionnaires to 24 NGOs operating in the Kakuma refugee camp. The study noted that 200 questionnaires were filled adequately and qualified to be analyzed. This represented a 91% response rate. Mugenda and Mugenda (2004) opined that a response rate above 50% is appropriate for analysis

while a response rate above 60% is considered good and a response rate beyond 70% is regarded as excellent for analysis. Consequently, a rate of responding amounting to 91% is excellent thus any advanced analysis is supposed to be undertaken.

4.3 Demographic Analysis

The study investigated various demographic characteristics of the population ranging from age, gender, level of education, work experience, job title, sector, and participation in the budgeting process. The study employed percentages and frequencies to establish how these features are spread across the population and the finding is presented in Table 4.2.

Table 4.2 Biodata finding

Variable	Category	Frequenc y	Percentag e
Gender	Male	91	45.3
	female	109	54.7
	Total	200	100
Age	18-30 years	24	11.8
	31-40 years	82	41.2
	41-50 years	59	29.4
	Above 50 years	35	17.6
	total	200	100
Education	High School	12	6.2
	Vocational/technical school	36	18.1
	Bachelor's degree	90	45.1
	Master's degree	35	17.7
	Doctoral Degree	6	2.8
	Professional Certificate	20	10.1
	total	200	100
Years of experience	0-6 years	79	39.4
	7-10 years	59	29.4
	11-15 years	35	17.5
	Above 16	27	13.6
	Total	200	100
Job Title	Managers	56	28.1
	Accountants/financial officers	110	54.8
	Project Coordinators	34	17.1
	Total	200	100
Sector of Operation	Education	20	10.1
	Shelter	7	3.5
	Health	13	6.3
	WASH	4	2
	Food	156	78.1
	Total	200	100
Participation in the budgeting process	Yes	176	87.8
	No	24	12.2
	Total	200	100

Source: Researcher, (2023)

Based on the finding in Table 4.2, it was noted that 54.7% of respondents are female while 45.3% are male. This signifies that both genders are equally represented thus no bias. On the other hand, 41.2% of the respondents were aged 31-40 years while 29.4% of respondents were aged 41-50 years. Further, it was noted that 17.6% of the respondents were aged above 50 years while 11.8% were aged 18-30 years. This implies that much of the population is aged 31-40 years thus this could be the productive age in the workplace. Moreover, 45.1% of the respondents had bachelor's degrees, 18.1% had vocational certificates, 17.7% possessed master's degrees, 10.1% had professional certificates, 6.2% had high school certificates and 2.8% had a doctorate. This implies that the majority of the staff working in NGOs are university graduates and most likely is the threshold qualification to be employed in an organization.

The study noted that 39.4% of respondents had worked for the organization for a period of less than 6 years, 29.4% for a period of 7-10 years, 17.5% of workers had been in the organization for 11-15 years and 13.6% have been working for over 16 years. This implies that the majority of the people working in these organizations have been working for less than 6 years. The majority of NGOs employ people on a contractual basis thus long-term contracts depend on funding which at times are unpredictable. Of the people interviewed, 54.4% were accountants/ financial officers 28.1% were managers and 17.1% were project coordinators. The majority of the people interviewed are financial officers who are involved directly in formulating budgets for the organization thus information that was collected was invaluable and reliable.

On what NGOs offer in refugee camps, 78.1% of respondents thought that NGOs provide food, 10.1% offer education, 6.3% are concerned with health services, 3.5%

provide shelter, and 2% offer WASH. This implies that the majority of NGOs provide food in these humanitarian camps because this is the most needed item by refugees. Finally, the study noted that 87.8% of the organization undertook budgeting before spending financial resources while 12.2% were not budgeting their financial resources. This implies that the majority of the organizations undertook budgeting before financing their projects. Budgeting is essential in instilling confidence in donors on how resources are utilized prudently.

4.4 Descriptive Statistics Findings

The study sought the opinions of the respondents regarding various aspects of budgeting and financial performance to understand how NGOs have complied using the mean and standard deviation parameters of descriptive statistics.

4.4.1 Budgetary Formulation

Budget formulation is a crucial stage in budgeting since it involves the conceptualization of the plan and how it is going to be implemented. The study examined various aspects of budget formulation statements as per respondents and aggregated them as mean and standard deviation and presented in Table 4.3.

Table 4.3 Descriptive finding of budgetary formulation

Budgetary Formulation	Mean	Std Deviation
The NGO's in Kakuma participate in budgetary Formulation	3.9588	0.81666
The donor's budget proposal presents the expenditures for the budgeted year which classifies it under the administrative or ministry unit.	4.1150	0.70303
The donor's budget proposal presented indicates how the annual budget is classified under different functions/units.	4.2550	0.73667
The donor's budget proposal indicates clearly how much the organizations are required to budget for within a particular financial year.	3.9948	0.96554
The main donor requires the agencies to prepare a multiyear budget.	3.6440	1.11400
Does the budget indicate any other source of funds for the different agencies? Sources of revenue (from different from UNHCR or Government) for a particular fiscal year?	4.1550	1.25695
The organizational budget proposal indicates how forecasting is helpful in budgetary formulation.	3.7800	1.01823

Average Mean: 3.9818

(Source: Researcher, 2023)

Based on the finding in Table 4.3, it was established that the budget formulation process has been embraced to a larger extent by NGOs operating in Kakumu (mean=3.9818, SD=0.81666). It was noted that the donor's budget proposal presented indicating how the annual budget is classified under different functions/units by a larger extent is the most embraced (mean =4.26, SD=0.736). Followed by, the donor's budget proposal presentation of the expenditures for the budgeted year which classifies it under the administrative or ministry unit which was adopted to a larger extent (mean=4.115, SD= 0.703). Standard deviation in both instances indicated that responses were clustered around the mean. The study noted

that to a larger extent embraced a process where the budget indicates any other source of funds for the different agencies both from government and nongovernmental organizations (mean of 4.115, SD=1.25). The standard deviation indicated that some responses were not clustered around the mean hence divergent opinions. Additionally, it was noted that to a larger extent, NGOs in Kakuma participate in the budget process (mean=3.96, SD=0.82). The standard deviation indicated that responses were clustered around the mean. Moreover, it was noted that to a larger extent donor's budget proposal indicates clearly how much the organizations are required to budget for within a particular financial year (mean=3.99, SD= 0.96). The standard deviation signified that responses were clustered around the mean. Further, it was noted that to a larger extent organizational budget proposal indicates how forecasting is helpful in budgetary formulation (mean= 3.78, SD=1.01). The standard deviation showed that responses were clustered around the mean. Finally, it was noted that the main donor requirement of agencies preparing a multiyear budget was least embraced to a larger extent.

The budget formulation is important in aligning organizational objectives and plans towards financial resources. It's through formulation that important programs are prioritized and monetized and this will go a long way in sourcing funding. It is also an important stage that helps in planning and how resources will be evaluated in the utilization stage. It ensures that resources are allocated to the needed areas. Jakait (2018) opined that a lot of resources are required to rehabilitate council headquarters which is always made a priority.

4.4.2 Budget Implementation

The budgeting process can only be desirable if management implements it within stipulated timelines. The study investigated how organizations implement budgets using mean and standard deviation statistics and the finding is presented in Table 4.4.

Table 4.4 Budgetary Implementation Finding

Budgetary Implementation	Mean	Std Deviation
The organization's cash flow projection shows how much it expects to take in by month, and how much it expects to spend by month	4.0150	0.79241
The organization's budget indicates how they have prioritized their implementation development plans.	4.3200	2.90859
The organization's budget is broken into units as per the implementation plan.	3.9750	0.84138
The organization budget has a summary table allowing easy comparison of total proposed spending for all ministries/departments.	3.8300	0.82126
The organization budget has indicators that show the targets for all the programmes during the year of implementation	3.8750	0.96646
The organizational budget has some deficit and if so it shows how it affects the planned activities.	3.6600	0.88789

Average Mean 3.9458

(Source: Researcher, 2023)

The finding of Table 4.4 established that NGOs in Kakuma adopted various budget implementation processes to a larger extent (mean=3.95, SD=0.79241). It was noted to a larger extent organization's budget indicates how priorities implemented development plans process were most embraced (mean=4.32, SD=2.9) and the standard deviation indicated that opinions varied. Followed by organization cash flow projections on a monthly and annual basis were the most embraced (mean, SD=0.79).

The standard deviation indicated that opinions were clustered around the mean. It was noted that breaking the budget into units during implementation was embraced by organizations to a larger extent (mean=3.98, SD=0.84). The standard deviation depicted that opinions are clustered around the mean. The study noted that budgets with indicators on the timeline of implementation were adopted to a larger extent (mean=3.88, SD= 0.97), thus opinions were not divergent. Further, it was established organizations have adopted to a larger extent budgets with summary tables which make it easier to make comparisons of expenditures (mean=3.83, SD=0.82). The standard deviation showed that opinions were not divergent. Organization budget experiencing deficit and how planned activities will be mitigated was the least embraced (mean=3.66, SD= 0.89).

Implementation of budgets in an organization involves various stages that are considered important in realizing the goals and objectives of an organization. Implementation of budgets is resource-based thus how resources are utilized is important. Effective utilization of resources based on projected budgets and plans is crucial in meeting timelines. Poor wastage of resources during implementation could be linked to poor capacity building among the implementers. According to Kibunja (2017), inadequate capacity building hampers the budget implementation process. This can also be strengthened by involving all the stakeholders in the process.

4.4.3 Budget Monitoring and Evaluation

Implementation of M&E in the budgeting process requires a participatory approach that entails many processes that include planning, allocation, and review. The study examined how M&E is embraced in budgeting using averages and standard deviation and the finding is presented in Table 4.5.

Table 4.5 Budget Monitoring and Evaluation Descriptive Finding

Budget Monitoring and Evaluation	Mean	Std Deviation
Tracking of activities and as per timelines and costs	3.9200	0.85865
The organization has a clear management strategy focusing on performance and achievement of outputs, outcomes, and impacts.	4.1800	0.81912
The organization has a continuous process of collecting and analyzing data to compare how well a project, program, or policy is being implemented against expected results.	4.2050	0.82850
The organization evaluates the middle of the period of implementation of the intervention. Or to the related term: formative evaluation.	4.2200	0.77109
The organizations apply the evaluation method in which representatives of agencies and stakeholders work together to ensure that the implementation is done as per the plans	3.8750	0.77614
The organization involves other partners while undertaking the monitoring and evaluation exercise.	3.7100	0.87735

Average Mean: 4.0183

(Source: Researcher, 2023)

The findings of the study indicate that organizations have adopted monitoring and evaluation in the budget budget-making process to a larger extent (mean=4.0183, SD=0.85865). It was noted that formative evaluation of the budget budget-making process was the most embraced by organizations to a larger extent (mean=4.22, SD=0.77). It was followed by the process of collecting and analyzing data in making comparisons of budget efficiencies where organizations adopted it to a larger extent (mean=4.250, SD=0.83). The standard deviation showed that opinions were not divergent. Additionally, it was established that organizations embraced to a larger extent a clear management strategy focusing on performance and achievement of

outputs, outcomes, and impacts in budgeting (mean=4.18, SD=0.82) and standard deviation signified that opinions were not divergent. Moreover, organizations to a larger extent track activities based on timelines and costs in the budgeting process (mean=3.92 SD=0.85). The standard deviation showed that responses were clustered around the mean. Further, it was noted that organizations have embraced participatory evaluation in project implementations (mean=3.875, SD= 0.77). The standard deviation indicated that responses were clustered around the mean. Lastly, the organization's involvement of other partners while undertaking the monitoring and evaluation exercise was least embraced to a larger extent (mean=3.71, SD=0.877). The standard deviation indicates that most responses are clustered around the mean.

Monitoring and evaluation in budgeting are important in tracking the progress of projects. This enables the identification of any emerging gaps and resolving them when needed in the process of budgeting and implementation. It is a parameter that indicates when plans are going as scheduled and when an improvement is needed. Monitoring and evaluation are essential in identifying areas within the budget adjustment and improvement (Karanja & Yusuf, 2018).

4.4.4 NGO governance

Budget transparency is becoming a pillar of governance in budget budget-making process. A paradigm shift has seen budget budget-making process embrace several strategies that enhance transparency, accountability, and public participation. The study investigated how budget making process embraces various governance using mean and standard deviation as shown in Table 4.6.

Table 4.6 NGO Governance Descriptive Finding

NGO Governance	Mean	Std Deviation
Transparency is a major issue in governance for NGOs operating in the Kakuma Refugee camp.	3.8050	0.76807
Agencies share information about their financial performance with their beneficiaries around Kakuma and Kenya as a whole.	2.7400	1.07151
The donors are familiar with local circumstances and culture.	3.6750	0.80786
The NGOs operating in Kakuma refugee camp have a good working relationship with the government.	4.0300	0.78241
The financial performance brings about good governance in the operations of the NGOs operating in Kakuma	3.9200	0.74591
The organizational budgetary process shows various forms of donor funds.	3.7050	0.93399

Average Mean: 3.6458

(Source: Researcher, 2023)

The study established that NGOs have embraced good governance in budgeting (mean=3.6458, SD=0.76807). The highest being NGOs embraced working with the government (mean=4.03, SD= 0.78). It was followed by a financial performance that brought good governance in the operations of the NGOs operating in Kakuma and was adopted to a larger extent as depicted by an average of 3.92 and a deviation of 0.74. The standard deviation signified that opinions were clustered around the mean. Moreover, it was noted that to a larger extent transparency remains an issue in the budget budget-making process (mean=3.81, SD= 0.77). The standard deviation signified that responses were not divergent. Moreover, it was noted that to a larger extent donors are familiar with local circumstances and culture (mean=3.6750, SD=0.81). The standard deviation indicates that most of the responses were not

divergent. The lowest is the sharing of information by agencies about their financial performance which was adopted to a moderate extent (mean=2.7400, SD=1.07151). Deviation showed that many of the respondents were in consensus thus divergence of views was minimal.

Governance creates a conducive environment in the budgeting process. It cultivates values and culture that promote discipline, transparency, and accountability in the process that yield efficiency and effectiveness. According to Karkatsoulis (2010), credible indicators were largely relied on by governance-based approaches in determining the efficiency of certain policies. Some of the strategic predictions might be difficult because of the high costs that are attached.

4.4.5 Performance of NGOs

Financial performance is an important pillar in the existence of an organization and sustainability as well. It majorly focuses on the points where an organization achieves identified financial goals. The study investigated to what extent financial practices are adopted in an organization using mean and standard deviation as presented in Table 4.7.

Table 4.7 Descriptive Findings on the Performance of NGOs

Financial Performance	Mean	Std Deviation
The organization has set measures of measuring financial performance	1.4226	0.14904
The budgeting process ensures that there are useful resources while measuring its financial performance.	3.9800	0.67964
All the NGOs' Programmes/Projects always look out for the positive impact which is the output of all its functions that influence its performance as a whole.	4.0100	0.67674
The budgetary process of the organizational expenditure led to the proper utilization of funds	4.900	7.17575
The organization exhibits Proper financial accountability that leads to better service delivery.	4.1100	0.72146
The organization understands the purpose of whether the funds collected/funded by the donors are utilized effectively and able reach to the beneficiaries within the Camp	4.8350	7.18575
The organization does have a clear mechanism to measure its financial strengths or weaknesses.	4.0700	0.90509

Average Mean: 3.9311

(Source: Researcher, 2023)

The finding in Table 4.7 indicated that NGOs have embraced good financial practices to a larger extent (mean =3.9311) with the highest being proper utilization of funds in expenditure (mean =4.900, SD= 7.2) standard deviation signifies that opinions were divergent. Followed by an organization embracing to a larger extent purposing donor funds in the right channel and benefit all (mean=4.8350, SD=7.18) and the standard deviation signifies that most of the responses are divergent. It was noted that organizations to a larger extent have embraced proper financial accountability that resulted in better service delivery (mean =4.1100, SD= 0.72). This signifies that

responses were clustered around the mean. Additionally, it was noted that most NGO projects to a larger extent have had a positive impact on the society (mean=4.0100, SD=0.67). This signifies that most of the responses are not divergent as evidenced by standard deviation. Moreover, it was noted that to a larger extent budgeting process ensures that there are useful resources while measuring financial performance (mean=3.9800, SD= 0.68). The standard deviation indicated that responses clustered around the mean. In the lowest end, it was noted that to no extent organization has set measures of financial performance (mean=1.4226, SD= 0.15). This signifies that most responses are clustered around the mean.

Projects and programs that utilize financial resources require good management to achieve goals and objectives designed by an organization. There are laid down financial processes that guide and regulate activities that involve financial resources. Financial performance is an important pillar in the existence of an organization and sustainability as well. It majorly focuses on the points where an organization achieves identified financial goals. One objective of an organization's financial goal is the maximization of wealth. This implies that organization management prioritizes anything that guarantees steady growth and anything that offers a buffer on risk. According to Mutswenje, and Abdi (2023), superior financial performance is associated with better effectiveness and efficiency in utilizing organizational resources.

4.5 Correlation Analysis

The financial performance of an organization features how financial resources are spent and how much is spent based on the availability of resources. For an organization to achieve adequate financial performance the budgeting process of financial resources is supposed to be above board. An appropriate budgeting process

involves those parties that adhere to the budget with those implementing objectives that define the organization together with the budget. The study sought to establish the association between budget making process and financial performance using the Pearson correlation as shown in Table 4.8.

Table 4.8 Correlation Results

Variables		Budget Formulation	Budget Implementation	Budget Monitoring Evaluation	Financial Performance
Budget Formulation	Pearson Correlation	1	.201**	.566**	.222**
	Sig. (2-tailed)		.004	.000	.002
	N	200	200	200	200
Budget Implementation	Pearson Correlation	.201**	1	.281**	.405**
	Sig. (2-tailed)	.004		.000	.000
	N	200	200	200	200
Budget Monitoring Evaluation	Pearson Correlation	.566**	.281**	1	.509**
	Sig. (2-tailed)	.000	.000		.000
	N	200	200	200	200
Financial Performance	Pearson Correlation	.222**	.405**	.509**	1
	Sig. (2-tailed)	.002	.000	.000	
	N	200	200	200	200

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

(Source: Research data, 2023)

The correlation finding showed that budget formulation and financial performance of NGOs have a positive and significant association ($r=0.201$, $p=0.004<0.05$). This finding implied that the nature of the association between budget formulation and financial performance is weak. The budget budget-making process needs competency to enhance the smooth formulation of budgets. Training of personnel in budget

budget-making process has a positive effect since skill development is necessary in formulating a good budget. Adequate skills improve the budget formulation process thus enhancing financial performance (Rayees, 2022).

The finding also found that budget implementation and financial performance of NGOs have a positive and significant association ($r=0.566$, $p=0.00<0.05$). Effective budget implementation is key to enhancing financial performance. The budget implementation is only credible and rewarding when this method is employed since efficiency is crucial. Proper management of the accounting system improves the budget implementation process (Mohamed, et al., 2017).

The outcome also showed that budgeting monitoring and evaluation and financial performance of NGOs have a positive and significant association ($r=0.222$, $p=0.002<0.05$). This finding implied that the nature of the association between budget monitoring and evaluation and financial performance is weak. The process of involving stakeholders in budget budget-making process is essential for management and determining financial performance. Managerial performance scores to interaction scores between budget participation and organizational commitment increase thus becoming an enabler in attaining optimum financial performance (Wandera & Sang, 2017).

4.6 Regression analysis

The study employed a multiple regression model to examine the relationship of study variables and the finding is demonstrated in Table 4.9.

Table 4.9 Model Summary Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin - Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.586 ^a	.343	.333	.55524	.343	34.117	3	196	.000	1.573
<i>a. Predictors: (Constant), Budget Monitoring Evaluation, Budget Implementation, Budget Formulation</i>										
<i>b. Dependent Variable: Financial Performance</i>										

(Source: Research data, 2023)

The results in Table 4.9 show budgeting process explained 33.3% of the financial performance of the NGOs in the Kakuma refugee camp ($R^2=.333$). The R square considers both the significant and significant variables that have an effect on the outcome variable in the model. Organizations only achieve adequate financial performance when the budgeting process of financial resources is executed efficiently. An appropriate budgeting process involves those parties that adhere to the budget with those implementing objectives that define the organization together with the budget. The process is a participatory one that involves a technical team and respective players with set timelines to accomplish tasks (Agbenyo et al., 2018). The essence of setting a timeline in the budgeting process is to have an adequate chance of research, review, and feedback revision among others that is geared toward improving the process.

Table 4.10 ANOVA Results

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	31.554	3	10.518	34.117	.000 ^b
	Residual	60.426	196	.308		
	Total	91.980	199			
<i>a. Dependent Variable: Financial Performance</i>						
<i>b. Predictors: (Constant), Budget Monitoring Evaluation, Budget Implementation, Budget Formulation</i>						

(Source: Researcher, 2023)

The results showed an $F = 34.117$; $P < .000$ showing that the model is statistically significant. The calculated P-value of $.000 < 0.05$ is an indication that the budgeting process is a significant predictor of the financial performance of NGOs.

Table 4.11 Regression Coefficient Results

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	1.974	.225		8.762	.000
	Budget Formulation	.098	.038	.115	2.579	.003
	Budget Implementation	.222	.046	.290	4.802	.000
	Budget Monitoring Evaluation	.390	.057	.493	6.870	.000
<i>a. Dependent Variable: Financial Performance</i>						

Source: Researcher, (2023)

The coefficient regression of budget formulation has a positive and statistically significant to the financial performance of NGOs in the Kakuma refugee camp ($\beta = .098$, $p\text{-value} = .003$). The null hypothesis was that budgetary formulation does

not influence the financial performance of non-governmental organizations operating in Kakuma Refugee Camp. Since the $p\text{-value}=.003 < 0.005$, the study rejects the null hypothesis and concludes that budgetary formulation has a statistically significant influence on the financial performance of non-governmental organizations operating in Kakuma Refugee Camp. It implies that budget formulation is essential when an organization wants to realize efficiency in its financial systems. A well-structured formulation of a budget document brings in predictability and to an extent competitiveness of the organization through various formulation processes such as classification, forecasting, partnerships, routine preparation, and budget ambiguity.

The study noted that the coefficient of budget implementation has a positive and significant influence on the financial performance of NGOs in the Kakuma refugee camp ($\beta=.222$, $p\text{-value}=.000$). The null hypothesis was that budgetary implementation does not influence the monitoring of financial performance within non-governmental organizations operating in Kakuma Refugee Camp. Since the $p\text{-value}=.000 < 0.005$, the study rejects the null hypothesis and concludes that budgetary implementation has a statistically significant influence on monitoring the financial performance of non-governmental organizations operating in Kakuma Refugee Camp. It implies that strengthening the budget implementation process is key to enhancing financial performance. Organizations are supposed to find a way of ensuring that such inefficiencies are mitigated. The institutional framework is supposed to be strengthened to allow all processes to be accomplished as outlined in the organization's goals and objectives.

Moreover, budget monitoring and evaluation significantly influenced the financial performance of NGOs in the Kakuma refugee camp ($\beta=.390$, $p\text{-value}=.000$). The null hypothesis was that budget monitoring and evaluation did not influence the financial

performance of non-governmental organizations in the Kakuma Refugee Camp. Since the $p\text{-value}=.000 < 0.005$, the study rejects the null hypothesis and concludes that budget monitoring and evaluation have a statistically significant influence on the financial performance of non-governmental organizations operating in Kakuma Refugee Camp. It implies that budget monitoring and evaluation are important in realizing desired financial performance. Monitoring and evaluating budgetary entails tracking on progress of projects that are likely to have positive improvement on the overall performance of so many projects. The top-down budget-making process featured in many organizations is likely to be corrected by entrenching monitoring and evaluation in the budgeting process since it's a participatory process.

4.6.1 Moderation Effect of NGO Governance on the Relationship between Budgeting making process and financial performance

The results in Table 4.12 show the goodness of fit for the moderating effect of employee attitude on the relationship between human resources practices and employee commitment.

Table 4.12 Summary Model Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.686a	0.471	0.468	0.49421
a. Dependent Variable: Financial Performance				
b. Predictors: (Constant), Moderator, Budget Monitoring Evaluation, Budget Implementation, Budget Formulation				

Source: Researcher, (2023)

This research investigation used adjusted R^2 to determine if the model was fitted as required during the moderation process of variables. It was noted based on adjusted R^2 results that governance moderated the relationship of budget making and financial

performance since the calculated R square (0.468) after moderation is larger than before thus moderation (0.333). It implied that the budget-making process and financial performance among 24 NGOs in the Kakuma refugee camp explain 46.8% of the variations in financial performance. There can never be a good budgeting process without an aspect of good governance since the budgeting process is grounded on governance. Sound management is guided by a good budget but still, a good budget should reflect the true processes of an organization. Features of a good budget are associated with transparency, accountability, efficiency, effectiveness, and discipline and are associated with good governance in budget budget-making process.

Table 4.13 ANOVA results

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	31.571	4	7.893	25.478	.000 ^b
	Residual	60.409	195	.310		
	Total	91.980	199			
a. Dependent Variable: Financial Performance						
b. Predictors: (Constant), Moderator, Budget Monitoring Evaluation, Budget Implementation, Budget Formulation						

Source: Researcher, (2023)

The results of ANOVA affirmed that the multiple regression model involving the moderating role of governance on the effect of the budgeting-making process on financial performance is significant as evidenced by (F=25.478, p=0.000<0.05). The results affirm the importance of governance in budget budget-making process of realizing efficiency in financial performance.

Table 4.14 Coefficient Finding

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.617	.283		5.706	.000
	Budget Formulation	.100	.050	.148	2.006	.046
	Budget Implementation	.229	.055	.300	4.149	.000
	Budget Monitoring Evaluation	.331	.064	.418	5.208	.000
	NGO Governance	.166	.062	.182	2.667	.008

a. Dependent Variable: Financial Performance of NGOs

Source: Researcher, (2023)

Based on the finding in Table 4.14, the budget formulation is statistically significant after moderation ($\beta=.100$, $p\text{-value}=.046$). The null hypothesis was that governance influence the relationship between the budgetary process and financial performance of non-governmental organizations in Kakuma Refugee Camp. Since the $p\text{-value}=.046 < 0.005$, the study rejects the null hypothesis and concludes governance influence the relationship between the budgetary process and financial performance of non-governmental organizations operating in Kakuma Refugee Camp. It implies that NGO governance moderates the budget formulation process in realizing the desired financial performance of NGOs in the Kakuma refugee camp.

Further findings indicated that budget implementation is statistically significant after moderation ($\beta=.300$, $p\text{-value}=.000$). This signifies that budget NGO governance moderate budget implementation process geared towards the optimum financial performance of NGOs in the Kakuma refugee camp.

Moreover, the outcome of the research finding showed that budget monitoring and evaluation is statistically significant after moderation ($\beta=.331$, $p\text{-value}=.020$). This showed that the budget monitoring and evaluation relationship is strengthened by governance in realizing the financial goals of the organization based on performance indicators NGOs in Kakuma refugee camp.

Finally, it was noted governance positively and significantly affected the financial performance of NGOs in the Kakuma refugee camp ($\beta=.706$, $p\text{-value}=.000$). This implied that governance is a core enabler of the financial performance of NGOs in the Kakuma refugee camp.

4.7 Discussion

From the onset, this research was tasked to determine the effect of budgetary formulation on the financial performance of NGO operations in Kakuma Refugee Camp. The descriptive finding established that the budget formulation process has been embraced to a larger extent by NGOs operating in Kakumu while budget classification was highly adopted and preparation of multiyear budgets by agencies was least embraced. Both correlation and regression findings noted that budget formulation is an essential pillar in realizing the financial goals of NGOs.

Budget formulation is a crucial process in an organization since it helps in aligning resources and objectives. This process involves identification programs and prioritization based on the need. It is also a factor in the cost implication it has on the organization considering its importance. The high-cost programs are foregone in favor of affordable programs as long as it meets the need of the organization. These plans are made on long-term and financial projects are part of the matrix. These projections are key in determining operational performance. A well-structured formulation of a

budget document brings in predictability and to an extent competitiveness of the organization through various formulation processes such as classification, forecasting, partnerships, routine preparation, and budget ambiguity. When these processes are embraced then budget formulation becomes effective and efficient thus resources are prudently used.

Budget formulation remains a tool that creates efficiency in resource utilization and this will inform rational decision-making that will help organization achieve their activities. Prioritization of resources is critical in empowering human resources that remain instrumental in the process and thus financial performance. Poor budget formulation has been associated with poor financial performance in most organizations. Budget formulation aids planning, activities coordination, and evaluation of performance to ensure that activities conform to norms.

The finding of this study agreed with a study by Memba and Njeru (2018) that noted that good budgetary management practices of NGOs influenced their financial performance positively. It also concurred with a study by Rayees (2022) that noted that quality budgets are effective in realizing efficient resource utilization. It also agreed with a study by Keng'ara and Makina (2020) that observed that the budgetary process has a positive influence on the financial performance of an organization.

Subsequently, this research investigated the effect of budgetary implementation on the financial performance of the non-governmental organizations in Kakuma Refugee Camp. Based on the descriptive finding, NGOs in Kakuma adopted various budget implementation processes to a larger extent with the highest aspect embraced being budget showing plans and priorities and the lowest embraced being organization mitigation of budget deficits that were adopted to a larger extent. Inferential findings

indicated that budget implementation is a critical component in improving the financial operations of an organization.

Implementation of an organization's budget requires a meticulous process that sees programs organized efficiently and effectively. This process is normally determined by the level of preparation and inadequacy is likely to derail the process. Human resources are the core pillars of the budget implementation process and their competency matters. This is especially important in instigating accountability in the process to minimize wastage. The implementation process is guided by principles that enable all indicators to be achieved within the specified time, especially through laying down policies and regulations. The dynamism in policy will bring all the stakeholders in the process to allow full participation and trust from all the stakeholders and this will likely promote openness.

Implementation of the budget requires various control measures to regulate the process and allow programs and projects to run smoothly. The process is likely to experience variance if not controlled properly. Organizations are supposed to find a way of ensuring that such inefficiencies are mitigated. The institutional framework is supposed to be strengthened to allow all processes to be accomplished as outlined in the organization's goals and objectives. Implementation will only be successful if capacity building is adequate thus everything runs as expected. There is also participation as a strong pillar of implementation and this has to be implemented to the latter.

The finding of this study agreed with a study by Mudeheli et al. (2020) which concluded that management of NGOs should secure stakeholder participation to realize transparency in resource utilization. It also concurred with a study by

Mohamed et al. (2017) which concluded that budget implementation enhanced the efficient utilization of resources. It differed from a study by Osebo et al. (2019) which found that budgeting involves the use of control tools that hamper the financial performance of an organization.

In addition, an investigation to determine the effect of budgetary monitoring and evaluation on the financial performance of the NGOs in Kakuma Refugee Camp was executed. The descriptive finding of the study noted that organizations have adopted monitoring and evaluation in the budget budget-making process to a larger extent with the highest embraced being formative evaluation to a larger extent and the lowest adopted cooperation during monitoring and evaluation to a larger extent. The inferential results showed that monitoring and evaluation are essential drivers in budgeting geared toward enhancing the efficient financial operation of NGOs.

Monitoring and evaluation in budgeting involve an accountability process and require the participation of stakeholders in the process. This process involves various stages that include planning, allocation, and review. The introduction of monitoring and evaluation in budgeting creates a sense of ownership among the players thus boosting confidence. Monitoring and evaluating budgetary entails tracking on progress of projects that are likely to have positive improvement on the overall performance of so many projects. The top-down budget-making process featured in many organizations is likely to be corrected by entrenching monitoring and evaluation in the budgeting process since it's a participatory process. Monitoring and evaluation are effective tools in translating plan proposals from budgets to actions and importantly into desired results.

Monitoring and evaluation make the budget budget-making process inclusive. It helps to track changes in the budget by controlling and allowing delivery within the process.

It is a parameter that indicates when plans are going as scheduled and when an improvement is needed. Monitoring and evaluation are essential in identifying areas within the budget adjustment and improvement. The budgetary monitoring process is characterized by the subsequent stages; setting performance targets or standards to be achieved by the various departments within the organization, informing the relevant stakeholders about the budgetary policy for easy setting of targets, and appreciation of the targets that have been set. This will be important as it improves ownership of the performance outcomes at the end of the budgetary period.

The finding of this study agreed with a study by evaluation Chepkorir et al. (2021) which found that monitoring the budgetary process is essential for financial performance. It also concurred with a study by Wandera and Sang (2017) and Chelangat and Sang (2018) that concluded budgetary monitoring and evaluation significantly influenced financial sustainability. Further, it also concurred with a study by Karanja and Yusuf (2018) that noted that monitoring and evaluation make budget making process inclusive.

The fourth objective was to determine the moderating effect of Governance on the financial performance of non-governmental organizations in Kakuma Refugee Camp. The summary regression model noted that the adjusted R squared after moderation by NGO governance was 0.468 which was higher than the non-moderated effect which had its adjusted R square being 0.333. This means that NGO governance moderates the relationship between budget making process and financial performance among 24 NGOs in the Kakuma refugee camp and explains 46.8% of the variations in financial performance.

The budget process has been efficient as a result of adopting various aspects of governance that enshrine transparency, accountability, and discipline. This aspect of

governance has catalyzed individual morals and values implementing the budget in creating efficiency and minimizing wastage in the budgetary process thus proper utilization of resources that amount to improved financial performance. Discipline is an ingredient in the budget budget-making process that entrenches sound financial management practices. It also fosters auditing and delivery of expected output in budget budget-making process thus creating efficiency and improving how resources are utilized.

The adherence to transparency and discipline within the budgeting process is key in realizing certain principles that shape how an organization adheres to policies, budget calendars, approvals, and implementations. The lack of these aspects of governance hampers the budgeting process and negates financial performance. Budget processes that follow strictly laid down processes and standards avert resource wastage this demonstrates a high level of governance that is required for the budgeting process to run smoothly. Accountability is also the backbone of budget budget-making process since it entails how allocated resources are utilized thus making the process a prudent utilization of resources that influence financial performance. A good budgeting process is guided by a sound institutional framework and principles. Established laws and principles are essential in managing organizational resources.

The finding of this study agreed with a study by Egbide and Agbude (2014) which opined that budget budget-making process involves governance where transparency, accountability, and discipline are key for better financial management. Buele et al. (2020) opined that the participation of stakeholders in the entire process of budgeting making encompasses transparency that fosters financial performance.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This section presented the summary of the study. It also examined the conclusions that were drawn from the study findings. The research was finalized by making recommendations based on the conclusion of the study. The recommendation targeted three areas where the researcher identified gaps and it included practice, policy, and areas of further research.

5.2 Summary

The study aimed to investigate the influence of the budgetary process and financial operation performance of NGOs in the Kakuma refugee camp, Turkana County, Kenya. Specific areas that this study focused on are; to determine the role of budgetary formulation, budgetary implementation, and budgetary monitoring and evaluation on the financial operations of NGOs in Kakuma Refugee Camp. Likewise, determines the moderating effect of Governance on the financial performance of NGOs in Kakuma Refugee Camp.

The study was anchored by liquidity preference theory. The study was supported by the theory of change, incremental budgeting theory, and priority-based budgeting theory. The study reviewed various empirical literature based on the study objectives. Upon review of the literature, various gaps were identified including conceptual, methodological, contextual, and analytical. Variables were conceptualized in this

research before drawing a conclusion and summarizing it diagrammatically using a conceptual framework.

The study targeted 24 NGOs in the Kakuma refugee camp. Census was preferred in the research since the population size was small and it was easier to study the entire universe. The study picked all the 220 individuals working in the financial department responsible for the budget process in the organization. The study developed a structured questionnaire that was employed in collecting data. A mock survey was conducted in the process of piloting the reliability and validity of the research tools. The pilot test selected 10percent of the entire study population. Upon the affirmation of the reliability of research tools and validity finding research statements, research was conducted. The study analyzed the descriptive statistics and was presented in percentages, averages, frequency, and deviation from the mean. The descriptive finding was interpreted and further discussion was undertaken.

Objective one determined the influence of budgetary implementation on the financial operations of NGOs in Kakuma Refugee Camp. Descriptive findings established that budget formulation is essential in enhancing the financial performance of an organization. Inferential statistics noted that budget formulation significantly influenced financial performance.

Objective two of the study determined the implication of the implementation of budgets on the financial operations of NGOs in Kakuma Refugee Camp. Both descriptive and inferential findings noted budget implementation is a significant predictor of financial performance. The implementation process is guided by principles that enable all indicators to be achieved within the specified time,

especially through laying down policies and regulations. The dynamism in policy will bring all the stakeholders in the process to allow full participation and trust from all the stakeholders and this will likely promote openness.

The third objective investigated the significance of budgetary monitoring and evaluation on financial operations. Both descriptive and inferential findings established that budget monitoring and evaluation is an essential component of financial performance. Monitoring and evaluation are effective tools in translating plan proposals from budgets to actions and importantly into desired results.

The fourth objective determined the moderating effect of governance on the financial performance of non-governmental organizations in Kakuma Refugee Camp. Regression findings established that governance moderated the relationship between the budgeting process and financial performance. Budget processes that follow strictly laid down processes and standards avert resource wastages this demonstrates a high level of governance that is required for the budgeting process to run smoothly.

5.3 Conclusions

The conclusion of this research was inferred from the results of the research. The review of each objective and a conclusion as per the study findings. It was established that budget formulation, budget implementation, and budget monitoring and evaluation significantly influenced the financial performance of NGOs in the Kakuma refugee camp. The governance moderated the relationship between the budgeting process and the financial performance of NGOs in the Kakuma refugee camp. It is thus concluded that budget formulation, budget implementation, and budget monitoring and evaluation are essential in enhancing the financial performance of NGOs in Kakuma refugee camps. Further, governance is a critical enabler in the budgeting process and financial performance of NGOs in Kakuma refugee camps.

5.4 Recommendations

The study makes recommendations to the management of NGOs, government, and researchers in the academic field.

5.4.1 Recommendations to NGOs management

NGOs working in Kakuma refugee camp receive funding from different donors and there is a need to plan on how to utilize these resources efficiently and effectively. There is a need to prepare a consolidated budget during formulation to capture all possible donors that are willing to assist. Depending on donors to formulate a budget for NGOs might not be effective in running activities given the lack of adequate information at their disposal. It is prudent to have a consolidated budget also to increase accountability since variation in budgeting might allow wastage and injure transparency.

Implementation of the budget is always the most challenging part of any organization in realizing its goals and objectives. One of the most common problems that arise during this critical process is a deficiency in financial resources to undertake proposed programs and projects. The study recommends robust mitigation measures that address deficits during budget implementation. These measures include constant mobilization of resources from donors so that projects are not altered especially in areas such as NGOs operating a refugee camp that need full attention.

The adoption of monitoring and evaluation in the budget budget-making process is proving to be a game changer, especially in tracking how projects are performing. This process is a multifaceted process that involves many stakeholders for it to be more effective. The study recommends collaboration of all stakeholders involved in the process so that possible gaps can be identified and mitigated appropriately. This

process is important in ensuring that what is formulated is implemented on time and using the budgeted resources thus reducing wastage that is been very common in donor money since there are no critical oversight bodies mandated to check excesses.

Governance in budget budget-making process has proved to be an enabler in enhancing financial performance. Aspects of governance such as accountability and transparency ensure that resources are utilized prudently thus encouraging best financial practices that are acceptable widely and known for mitigating wastages. The study recommends the aligning of governance principles and the culture of the society to avoid conflict. Some cultural practices remain an impediment in entrenching some aspects of governance into the budget-making process.

5.4.2 Policy Recommendations

One of the most common problems that NGOs have faced in the recent past is the source of funding and activities that are supposed to engage in. This is normally occasioned by the state getting offended when their failed responsibilities are taken up by another body and how they utilize resources. The study recommends the formulation of a policy that regulates the financing and usage of resources by NGOs. This will promote accountability and transparency in resource usage.

5.4.3 Recommendation for Further Study

The study focused on three aspects of budget budget-making process that include formulation, implementation, and monitoring and evaluation. This resulted in leaving out other important aspects of the budget budget-making process that would have a significant effect on the model. The study recommends future researchers study more aspects of budget making process like audit so that the model can estimate all variables more accurately.

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APPENDICES

APPENDIX I: Introduction Letter

EVANS MISIGO

C/O Kenyatta University,

Nairobi.

Kenya.

TO WHOM IT MAY CONCERN

Dear Respondent,

RE: MBA RESEARCH.

I am an MBA student at Kenyatta University carrying out a research project as part of my fulfillment of my MBA degree in Finance. My project is entitled, BUDGETARY PROCESS AND FINANCIAL PERFORMANCE OF NON-GOVERNMENTAL ORGANIZATION IN KAKUMA REFUGEE CAMP - TURKANA COUNTY, KENYA. Having chosen your Organization as part of the study, I kindly request your assistance with information from your Organization. The information obtained will be kept confidential and will be used for academic purposes only. The questionnaire is self-administered and participation is voluntary. In case of any clarification concerning any of the questions or a general inquiry on the project I am conducting, kindly reach me through mobile no. +254 722 470 474 and email address evans_misigo@wvi.org or evans_misigo@yahoo.com.

Thank you in advance.

Evans Misigo

APPENDIX II: Questionnaire

Part 1: General Information

(i) Gender Male [] Female []

(ii) Age? _____(years)

18-30 [] b) 31-40 [] c) 41-50 [] d) Above 50 []

(iii) How many years have you served in your organization? _____ (years).

0-6 [] b) 7-10 [] c) 11-15 [] d) Above 16 []

(iv) What’s your job title.....

Managers [] b) Accountants/financial officers [] c) Project Coordinators []
])

(v) What is the highest level of education you have completed?

High School or equivalent []

Vocational/technical school []

Bachelor’s degree []

Master’s degree []

Doctoral degree []

Professional degree []

Other (Please specify).....

(vi) Name of the Organization.....

(vii) Which sector does your Organization serve in?

a) Education [] b) Shelter [] c) Health [] d) WASH [] e) Food []

(viii) Do you participate in the budgeting process? Yes [] No []

(ix) Which of the following documents forms part of the budgetary process in your organization

Part 2: Budgetary formulation

Kindly indicate the extent to which your Organization has adopted each of the following methods of budgetary formulation.

No.	Issue	(1)	(2)	(3)	(4)	(5)
	Budgetary Formulation					
i	Does the Donor's Budget Proposal present the expenditures for the budgeted year which classifies it under the administrative or ministry unit?					
ii	Does the Donor's Budget Proposal presented indicates how the annual budget is classified under different functions/unit?					
iii	Does the Donor's Budget Proposal indicate clearly how much the organizations are required to budget for within a particular financial year?					
iv	Does the Main donor require the agencies to prepare a multiyear budget?					
v	Does the budget indicate any other source of funds for the different agencies? Sources of revenue (from different from UNHCR or Government) for a particular fiscal year?					
vi	Does the organizational Budget proposal indicate how forecasting is helpful in budgetary formulation?					

Use the scale of: 1 – 5 where: 1 = No Extent; 2 = Small Extent; 3 = Moderate Extent; 4 = Large Extent; 5 = Very Large Extent

Part 3: Budgetary Implementation

Kindly indicate the extent to which your Organization has adopted each of the following methods of budgetary formulation.

Use the scale of: 1 – 5 where: 1 = No Extent; 2 = Small Extent; 3 = Moderate Extent; 4 = Large Extent; 5 = Very Large Extent

No	Budgetary Implementation	(1)	(2)	(3)	(4)	(5)
i	Does your organization's cash flow projection show how much it expects to take in by month, and how much it expects to spend by month?					
ii	Does your organization's budget indicate how they have prioritized their implementation development plan?					
iii	Is your organization's budget broken into units as per the implementation plan?					
iv	Does your organization budget have a summary table allowing easy comparison of total proposed spending for all ministries/departments?					
v	Does your organization's budget have indicators that show the targets for all the programmes? During the year of implementation					
vi	Does your organizational budget have some deficit and if so does affect the planned activities?					

Part 4: Budgetary monitoring and evaluation

Kindly indicate the extent to which your organization has adopted each of the following methods of budgetary formulation.

Use the scale of: 1 – 5 where: 1 = No Extent; 2 = Small Extent; 3 = Moderate Extent; 4 = Large Extent; 5 = Very Large Extent

No	Budget Monitoring and Evaluation	(1)	(2)	(3)	(4)	(5)
i	To what extent does the budgetary process affect the livelihood of the Refugee or the local community from the donor's funds?					

APPENDIX III: List of NGOs

LIST OF NGOs WORKING IN KAKUMA REFUGEE CAMP, TURKANA COUNTY, KENYA

Non-Government operating in Kakuma Refugee Camp as of 2016 according to the Kenya Comprehensive Refugee Programme (KCRP) document.

<u>Agency (Implementing Partners)</u>	<u>Acronyms</u>
1. Danish Refugee Council	DRC
2. Don Bosco –Kakuma	DBK
3. Film Aid International	FilmAid
4. International Rescue Committee	IRC
5. Jesuit Refugee Services	JRS
6. Lotus Kenya Action For Development Kenya	LOKADO
7. Lutheran World Federation	LWF
8. National Council of Churches of Kenya	NCCK
9. Norwegian Refugee Council	NRC
10. Refugee Consortium of Kenya	RCK
11. Windle Charitable Trust	WCT
12. GesellschaftFurInternationale Zu-sammenarbeit	GIZ
13. International Organization for Migration	IOM

14. Team and Team Korea	TTK
15. IsraAID	IsraAID
16. Good Neighbors International	GNI
17. AAR Japan	AAR Japan
18. World Vision Kenya	WVK
19. World Food Programme	WFP
20. Peace Winds Japan	PWJ
21. Action Africa Help International	AAHI
22. Swiss contact Ltd	SCL
23. Sanitations Ltd	SAL
24. United Nations High Commissioner for Refugee	UNHCR

Source: Author 2016


APPENDIX IV: NACOSTI Permit

THIS IS TO CERTIFY THAT:
MR. EVANS MISIGO
of **KENYATTA UNIVERSITY, 50816-200**
NAIROBI, has been permitted to conduct
research in **Turkana County**

Permit No : NACOSTI/P/18/64072/21093
Date Of Issue : 2nd February,2018
Fee Received :Ksh 1000

on the topic: **FINANCIAL PERFORMANCE**
OF NON-GOVERNMENTAL
ORGANIZATION IN KAKUMA REFUGEE
CAMP-TURKANA COUNTY, KENYA

for the period ending:
1st February,2019



Evans Misigo
.....
Applicant's
Signature

J.P. Kalema
.....
Director General
National Commission for Science,
Technology & Innovation

CONDITIONS

1. The License is valid for the proposed research, research site specified period.
2. Both the Licence and any rights thereunder are non-transferable.
3. Upon request of the Commission, the Licensee shall submit a progress report.
4. The Licensee shall report to the County Director of Education and County Governor in the area of research before commencement of the research.
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6. This Licence does not give authority to transfer research materials.
7. The Licensee shall submit two (2) hard copies and upload a soft copy of their final report.
8. The Commission reserves the right to modify the conditions of this Licence including its cancellation without prior notice.



REPUBLIC OF KENYA



**National Commission for Science,
Technology and Innovation**

**RESEARCH CLEARANCE
PERMIT**

Serial No.A 17346

CONDITIONS: see back page

APPENDIX V: Research Authorization Letter



NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY AND INNOVATION

Telephone: 020 400 7000,
0713 788787,0713404245
Fax: +254-20-318245,318249
Email: dgarnacost@naci.go.ke
Website: www.nacosti.go.ke
When replying please quote

NACOSTI, Upper Kabete
Off Waiyaki Way
P.O. Box 30623-00100
NAIROBI-KENYA



Ref. No. **NACOSTI/P/18/64072/21093** Date: **2nd February, 2018**

Evans Misigo
Kenyatta University
P.O Box 43844-00100
NAIROBI.



RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on “*Financial performance of non-governmental organization in Kakuma Refugee Camp-Turkana County, Kenya*” I am pleased to inform you that you have been authorized to undertake research in **Turkana County** for the period ending **1st February, 2019**.

You are advised to report to **the County Commissioner and the County Director of Education, Turkana County** before embarking on the research project.

Kindly note that, as an applicant who has been licensed under the Science, Technology and Innovation Act, 2013 to conduct research in Kenya, you shall deposit a **copy** of the final research report to the Commission within **one year** of completion. The soft copy of the same should be submitted through the Online Research Information System.


GODFREY P. KALERWA MSc., MBA, MKIM
FOR: DIRECTOR-GENERAL/CEO

Copy to:

The County Commissioner
Turkana County.

The County Director of Education
Turkana County.

APPENDIX VI: Research Approval Letter



KENYATTA UNIVERSITY
GRADUATE SCHOOL

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P.O. Box 43844, 00100
NAIROBI, KENYA
Tel. 810901 Ext. 4150

Internal Memo

FROM: Dean, Graduate School

DATE: 18th January, 2018

TO: *Evans Misigo*
C/o Accounting and Finance Dept.

REF: D53/CTY/PT/30589/2015

SUBJECT: APPROVAL OF RESEARCH PROJECT PROPOSAL

This is to inform you that Graduate School Board at its meeting of 10th January, 2018 approved your Research Project Proposal for the M.B.A Degree Entitled, "Budgetary Process and Financial Performance of Non-Governmental Organization in Kakuma Refugee Camp – Turkana County, Kenya".

You may now proceed with your Data Collection, Subject to Clearance with Director General, National Commission for Science, Technology and Innovation.

As you embark on your data collection, please note that you will be required to submit to Graduate School completed Supervision Tracking Forms per semester. The form has been developed to replace the Progress Report Forms. The Supervision Tracking Forms are available at the University's Website under Graduate School webpage downloads.

Thank you.

ELIJAH MUTUA
FOR: DEAN, GRADUATE SCHOOL

c.c. Chairman, Accounting and Finance.

Supervisors:

1. Mr. Joseph Theuri
C/o Department of Accounting and Finance
Kenyatta University

EM/lmn