

**THE EFFECTS OF FINANCIAL ACCOUNTABILITY ON THE
PERFORMANCE OF NON-GOVERNMENTAL
ORGANIZATIONS IN KAMPALA DISTRICT
(A CASE STUDY OF HUMAN RIGHTS UPHOLDS
UGANDA IN CENTRAL UGANDA)**

BY:

NANSAMBA BRENDA

BBA/40827/133/DU

**A RESEARCH REPORT SUBMITTED TO THE COLLEGE OF ECONOMICS
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UNIVERSITY**

JUNE 2016

DECLARATION

I declare to the best of my knowledge that this is my original work and has not been presented for a degree in this or any other university. To the best of my knowledge and belief, the research proposal contains no material previously published or written by another person except where due reference is made. No part of this report may be reproduced without prior permission of the author and / or Kampala international university

Signature:.....



Date:

2nd JUNE 2016.....

NANSAMBA BRENDA

BBA/40827/133/DU

APPROVAL

This is to declare that this research report is submitted in partial fulfillment for the award of a bachelor's degree in business administration under my supervision.

Signature:..........

Date: 21st June 2016

Mrs. IRAU FLORENCE

LECTURER – SCHOOL OF BUSINESS

DEPARTMENT OF FINANCE AND ACCOUNTING

KAMPALA INTERNATIONAL UNIVERSITY

DEDICATION

This research report is dedicated to my family my dad, Bukenya Benard mum Nakiyemba Jemeo, guardian Ssegirinya George; for giving me the invaluable support to concentrate on this research. God bless you all. I thank Almighty God who is my source of all inspiration in allowing me to undertake this project that is too involving in terms of time and resources.

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LIST OF ABBREVIATIONS

ACFE:	Association of Certified Fraud Examiners
AICPA:	American Institute of CPAs
GDP:	Growth Domestic Products
GoU:	Government of Uganda
NGOs:	Nongovernmental Organizations
NGOCB:	Nongovernmental Organization Coordination Board
SPSS:	Statistical Package for Social Sciences
VfM:	Value for Money
BML	BasajjaBalaba Memorial Library

ABSTRACT

Financial accountability has been one of the most problematic and prevalent issues for business worldwide for a long time. Increase in financial misappropriation and number of corporate scandals had an important impact on understanding and analyzing financial accountability and in turn on audit of the same and its regulation. The growth in finance misappropriation cases indicates that a strong need exists for research approaches that better enable auditors and investigators to detect and prevent potential misappropriation. The study aimed to provide an understanding to the non-governmental. The study objective was to establish the effects of financial accountability on the performance of non- governmental organizations in Uganda taking human rights upholds Uganda as a case study. The research design used in this study was descriptive survey. Using stratified random sampling design, the researcher selected 52 respondents on whom to conduct the survey. Semi structured questionnaire were used to collect the primary data. Descriptive statistics was employed to analyze the data. The mean score for each attribute was calculated and the standard deviation used to interpret the respondents deviation from the mean. The results were presented on frequency distribution tables, pie charts and bar charts. Here the interest was focused on frequency of occurrence across attributes of measures. The study found that the NGOs that applied financial standards in ensuring accountability of finances in the organizations boosted Donor support which resulted in improved performance. The study also established a significant relationship between financial performance of NGOs in Uganda and the independent variable financial accountability. The study finally concludes that taking the independent variables at zero, a unit increase in financial accountability will lead increase in the scores of financial performance in NGOs in Uganda. The study recommends that all NGOs should have policies and procedures established so that; boards and officers understand their fiduciary responsibilities to ensure financials are managed properly and the charitable purposes of the organization are carried out.

CHAPTER ONE

INTRODUCTION

1.1 Introduction

The study examined the effects of financial accountability on the performance of non-governmental organizations in Kampala district (a case study of human rights upholds Uganda in central Uganda) . This chapter specifically deals with the background, purpose of the study, statement of the problem, objectives, research questions, scope and significance of the study.

1.2 Background of the study

Financial accountability can be defined as the management of the finances of an organization in order to achieve the financial objectives of the organization (Tooley and Hooks, 2009). It broadly embraces two aspects, namely: Financial planning which is a plan to ensure that enough funding is available at the right time to meet the needs of the organization for short, medium or long-term capital. For example how much money is needed to smooth out changes in debtors, creditors and other cash requirements, should a new asset be bought or leased; and financial control which seeks to assess whether the plan put forward meets the objectives of the organization in question. Financial accountability components and techniques commonly practiced by the non-government organisations include, financial analysis, accountability accounting, and capital budgeting (Wilks and Zimbelman, 2004).

According to Kanyinga and Mitullah, (2007) financial accountability includes; Financial reporting and analysis, the nature, frequency and purpose of financial reporting, auditing, analysis and interpretation of financial performance; Working capital accountability non-financial and financial considerations in asset acquisition, quantitative techniques for capital project evaluation, investment hurdle rate determination and handling risk and uncertainty in this context; Financial structure accountability- financial leverage or gearing, accounting to lenders, knowledge of sources and uses of finance, non-financial and financial considerations in financial structure decisions and non-financial and financial considerations in profit distribution decisions; Financial planning and control- financial objectives and targets, cost-volume profit analysis, pricing, financial budgeting and control, and accountability responsibility centers; Financial advice- internal and external sources and types of financial advice and use of public accounting services;

Financial accountability- expertise informal and formal education, training and experience in financial accountability, relevant qualifications, and overall financial accountability expertise.

Today globalization is not just affecting giant companies but also non-governmental organisations, which are beginning to recognize the importance of finance systems that can manage multi-lingual, multi-currency requirements (Lee, Ali and Kandasamy, 2008c). National borders are losing their importance as the multinational corporate world develops at a rapid pace. Ambitious NGOs are expanding internationally, and finance managers working in this multinational environment face increasingly complex issues (PwC, 2009). To be successful, they must understand the challenges and differences of doing business in a foreign country, from differences in international accounting.

Viswesvaran (2006), refer to financial accountability as the requirement to provide information to parties both inside and outside the organization. It is the process of identifying, measuring and communicating economic information to permit informed and rational decisions to be made. Accountability refers to the final responsibility for the success or failures of an organization. This final responsibility is usually with the governing body, which delegates this function to the Chief Executive. Accountability is a key requirement of good governance. Not only governmental institutions but also the private sector and civil society organizations must be accountable to the public and to their institutional stakeholders. An organization or an institution is accountable to those who will be affected by its decisions or actions. Since NGOs get most of their funding from donors, accountability for NGOs is usually to the donors, the beneficiaries, the employees and other stakeholders (Wells, 2003).

According to Association of Certified Fraud Examiners (2010), performance refers to the ability to operate efficiently, profitability, survive grow and react to the environmental opportunities and threats. In agreement with this, Lee, Ali and Kandasamy (2008c) assert that, performance is measured by how efficient the enterprise is in use of resources in achieving its objectives. It is the measure of attainment achieved by an individual, team, organization or process. Many firms' low performance is the result of poorly performing assets (businesses). Low performance from poorly performing assets is often related to strategic errors made in the acquisition process in earlier years. For example, some firms acquire businesses with unrealistic expectations of achieving synergy between the acquired assets and their current sets of assets. A common reason for such errors is

managerial hubris or overvaluation of managerial capability in the acquisition process.

According to Pincus (2009), appropriate performance measures are those which enable organizations to direct their actions towards achieving their strategic objectives. Performance is measured by either subjective or objective criteria, arguments for subjective measures include difficulties with collecting qualitative performance data from small firms and with reliability of such data arising from differences in accounting methods used by firms. Lee et al., (2008c) found out that, objective performance measures include indicators such as profit growth, revenue growth, return on capital employed.

The vision of human right uphold Uganda is working towards a nation aware and understanding their human rights fundamentals and as well free from other human rights abuses. The mission of HURU-UG is to enhance respect, outreach of human rights through working with the human rights organization from the member states of the world.

According to American Institute of Certified Public Accountants (2011), Value for Money (VfM) is the term used to assess whether or not a NGOs agency has registered a good or bad financial performance. That is, whether it has obtained the maximum benefit from the goods and services it acquires and/ or provides, within the resources available to it. It not only measures the cost of goods and services, but also takes account of the mix of quality, cost, resource use, fitness for purpose, timeliness and convenience to judge whether or not, when taken together, they constitute good value. Achieving VfM may be described in terms of the 'three Es' - economy, efficiency and effectiveness. This is the unit cost and productivity indicators that show the ratio between inputs and outputs. Efficiency means doing the same as before, but with fewer resources in terms of money, staff, space, etc. Efficiency is a measure of productivity, i.e. how much you get out in relation to how much you put in.

1.2 Statement of the problem

Financial accountability has been one of the most problematic and prevalent issues for business worldwide for a long time; however, there has been much more attention and research dedicated to the topic after the scandals such as Enron, WorldCom and others. The 5th Global Economic Crime Survey performed by PwC (2009) reports that fraud remains a pervasive business risk and

almost every firm is subject to occupational fraud in their daily business, leading to huge losses for business and society. Increase in financial misappropriation and number of corporate scandals had an important impact on understanding and analyzing financial accountability and in turn on audit of the same and its regulation.

Rose (2007) points out that poor economic management and governance by African Governments resulted in donors shifting their attention and increasing funding to NGOs from the early 1990s. Increased disbursements through NGOs led to the mushrooming of NGOs, who in turn used local community organizations as their entry point for development work at the grassroots. This resulted in proliferation of organizations in the development space; however the growth has been sluggish due to the mismanagement of funds in the NGOs institutions which has led to donors shying away. With many fraud and corruption scandals and individuals abusing disaster relief, donations have subsequently slowed for many organizations. If this funding was to dry up, it would likely mean that the NGOs would no longer be fiscally viable and would cease to operate (D'Cruz, 2003).

This study investigated the effects of financial accountability on the performance of non-governmental organizations in Uganda. The overall National Development objectives of the NGOs among others include: accelerated economic growth and rising productivity of all sectors, equitable distribution of national income, alleviation of poverty, enhanced agricultural productivity and improved rural urban balance (GoU, 2009). For these goals to be realized all factors of production including NGOs performance must closely be coordinated to optimally harness on their complementary role. NGOs financial impropriety in the country continues to grow with consequential negative effect on NGO earnings, loss to public and investor confidence as well as underperformance (Porter and Gowthorpe, 2004).

1.3 Purpose of the study

The study was worth the while because analysed the relationship between accountability and performance of non governmental organisations considering human rights upholds Uganda as a case study. This is due to the fact that financial accountability has been one of the most problematic and prevalent issues for businesses and non governmental organisations worldwide for a long time.

1.4 Research Objectives

To establish the effects of financial accountability on the performance of non-governmental organizations in Uganda.

To establish the relationship between financial accountability and performance of non governmental organisations.

To find out the effect of fraud on performance of non governmental organisations

1.5 Research Questions

What are the effects of financial accountability on the performance of non-governmental organizations in Uganda?

What is the relationship between financial accountability and performance of non governmental organisations?

What is the effect of fraud on performance of non governmental organisations?

1.6 scope of the study

Content Scope

The study aimed at the effects of financial accountability on the performance of non governmental organisations.

Geographical scope

The study was carried out at human rights upholds Uganda located at plot 2a circular road municipal building opposite state house Entebbe.

Time scope

The year of interest is 2016 and the study lasted for three months.

1.7 Significance of the Study

The study draws importance in the way it provides new knowledge in the field of finance and accounting, as it provides diversity in the many possible effective ways of financial control mechanisms, highlighting the cogency of adopting this form of operation.

The study was instrumental to the non- governmental organizations in generating knowledge on the financial malpractices in non-governmental organizations. This will also provide a feedback to the non-governmental about the effectiveness of the financial systems in fighting for the public

interest in non-governmental operations and the problems faced in enhancing financial discipline in government financial systems.

It is practically hoped that the study will provide an understanding to the non-governmental organizations of the financial malpractices in the financial process and its resultant impact on the delivering of services to the general population.

It is anticipated that the recommendations of this study will make a significant contribution to the researchers and scholars of accounting and finance on the understanding of the factors that influence and shape the effectiveness of financial practices in guarding against misappropriation of funds and resources and the needed remedies for enhancing the effectiveness of the financial systems in the administration of finance discipline in the financial process.

The study also stimulates and encourages further research and inquiry on ways in which financial fraud can be detected early in order to enhance financial discipline so that Non- Governmental funds and resources can be efficiently and effectively used.

1.8 Operational Definitions

Financial accountability. Financial accountability can be defined as the management of the finances of an organization in order to achieve the financial objectives of the organization.

Financial performance. Performance refers to the ability to operate efficiently, profitability, survive grow and react to the environmental opportunities and threats.

Non governmental organisations. Non-governmental Organization (NGO) refers to an association, society, foundation, charitable trust, non-profit corporation, or other juridical person that is not regarded under the particular legal system as part of the governmental sector and that is not operated for profit – viz., if any profits are earned, they are not and cannot be distributed as such.

1.9 Conceptual Framework

A conceptual framework is a diagrammatical research tool intended to assist the researcher to develop awareness and understanding of the situation under scrutiny and to communicate this. A conceptual framework is used in research to outline possible courses of action or to present a preferred approach to an idea or thought. It can be defined as a set of broad ideas and principles

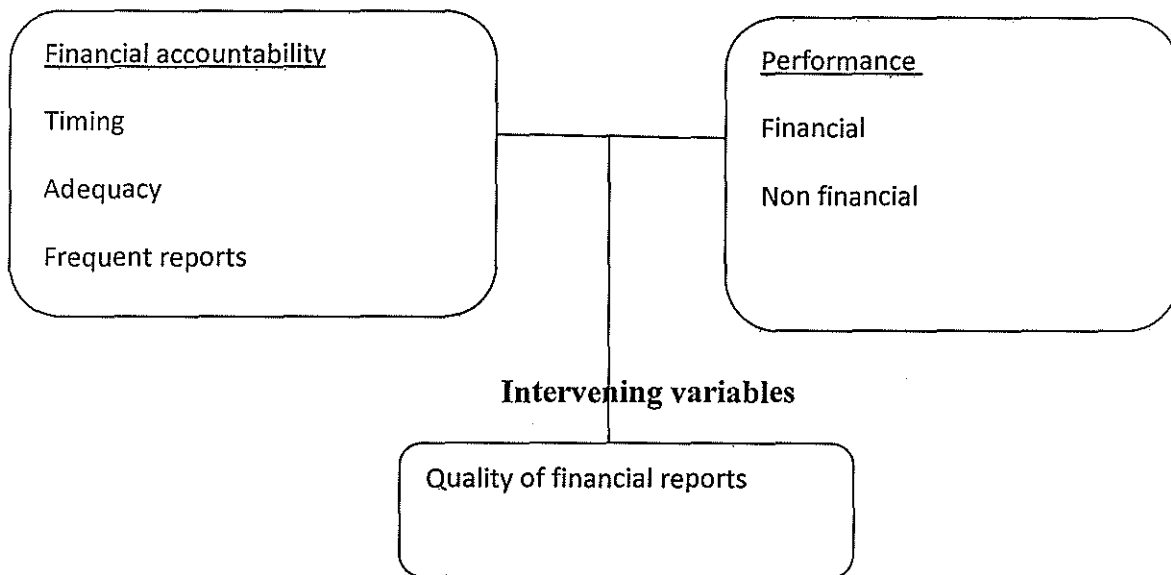
taken from relevant fields of enquiry and used to structure a subsequent presentation. The interconnection of these blocks completes the framework for certain expected outcomes.

An independent variable is one that is presumed to affect or determine a dependent variable. It can be changed as required, and its values do not represent a problem requiring explanation in an analysis, but are taken simply as given. The independent variables in the study will be: financial accountability.

A dependent variable is what is measured in the experiment and what is affected during the experiment, it responds to the independent variable. The dependent variable in the study will be financial performance.

Independent Variables

Dependent Variable



Source: Researcher 2016

This conceptual framework was developed from the organizational improvement models of Judge et al., (2002). It hypothesizes that with adequate and timely funding, proper monitoring and accountability systems, financial performance is likely to significantly improve. According to Albrecht et al., (2001) effective and continuous monitoring of activities guarantee optimal utilization of resources through effective accountability while also ensuring effective sharing of correct and timely information and the identification and resolution of con

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter presents a review of theory as well as literature of the study in the research area under discussion. This chapter also seems to identify the research gap that existed between what other researchers had done and what this study aimed to tackle as well as capture the relationship of the research variables.

2.1 Related literature

The study is anchored by Resource Mobilization Theory and Fraud Theory also known as Differential Association Theory which are related to financial accountability and financial performance.

2.1.1 Resource Mobilization Theory

In voluntary organization /NGO /NPO, of all the resources required, a resource in the form of 'money' is the most important one. Without this resource we cannot activate the other resources in the agency / community. In the market oriented economy like ours, it is the monetary resource, which determines the expansion or contraction of other resources. The success of any NGO / community organization agency lies in its ability to raise enough funds (monetary resources), or to convert other resources in such a way that it can be exchanged for the money, or to plan its activities into fundable projects (Tam and Kiang, 1992).

In the earlier days when 'Alms Giving' and charity was held a high and respected place, the persons who were concerned with community affairs, were able to collect the necessary funds from the wealthy people. But at present the motives behind giving charity as well as the dimensions of the

community problems have drastically changed. The resultant effect is that the resources are drying. At the same time more and more money is required for welfare services of meeting the changing needs and adopting better methods of helping the people. To get over this crisis, Neocleous (2000) points out that either the state aid is to increase or the agencies have to depend largely upon the community's support. It is not possible to step up the aid from the Government. This necessitates a change in our outlook and we should think of more suitable ways and means of raising money from the public.

In resource mobilization theory, Mobilization is the process of forming crowds, groups, associations, and organizations for the pursuit of collective goals. Organizations do not "spontaneously emerge" but require the mobilization of resources. Resource mobilization is a sociological theory that forms part of the study of social movements. It stresses the ability of movement's members to acquire resources and to mobilize people towards the furtherance of their goals. In contrast to the traditional collective behavior paradigm that views social movements as deviant aberrations, resource mobilization which emerged in the 1970s views social movements as formed by rational social institutions and social actors taking political action (Lin et al., 2003).

2.1.2 Fraud Theory/ Differential Association Theory

Researchers and practitioners in different fields that involve the study of fraud acknowledge three key factors associated with the probability of whether an individual will commit fraud. The three factors, which constitute the fraud model, are perceived pressure facing the person, perceived opportunity to commit fraud, and the person's rationalization or attitude. The fraud model has its roots in the research and classical differential theory of noted criminologist Harrison et al., (2011). According to Cressey (1973), dishonest employees will infect honest employees. A non-sharable financial need affects the behaviour of one who violates a trust to commit fraud. What is deemed non-sharable is in the eyes of the offender. These "nonsharable" needs are divided into six basic types: violation of ascribed obligations, problems resulting from personal failure, business reversals, physical violation, status gaining, and employer-employee relations (Cressey, 1973). Cressey's model helps explain the nature of many, but not all occupational offenders.

According to Fremont-Smith (2004) the elements of fraud are as follows: false representation of a material fact; and representation made with knowledge of its falsity. According to an editorial of Fremont-Smith (2004) it was reported that increased time pressure has led independent auditors doing shopping in their audits. As Harrison et al., (2011) pointed out; management fraud represents one instance of the agency problem where managers are interested in increasing their own wealth at the expense of the shareholders. Eigen (2002) have argued that the dishonest behaviour of management between January 2001 and June 2002 caused share prices of Enron, Global Crossing, Adelphia, Pergrine Systems, Qwest, WorldCom, Dynegy, and Tyco Inter to fall; ranging from 78.4 to 99.9 percent.

Regarding the fraud prevention role and who should assume it, is a thorny issue. Internal audit and management as well as the Board of Directors and the audit committee Code of Corporate Governance has a role to play. As far as the role of the audit committee is concerned, according to Brinkmann and Henriksen (2002), it improves the capacity of the board to act as a management control by providing them with detailed information and knowledge on the financial statements. As Fanning and Cogger (1998) has stated, the Board of Directors assumes internal monitoring, and their viability is enhanced by having independent non-executive directors on the Board. However, fraud prevention and detection is a role that ought to be jointly accepted by the Board, senior management and internal auditing.

2.2 Relationship between financial accountability and performance

According to Lee and Ali (2008) there is a strong relationship between financial accountability and financial performance. This is because financial accountability improves financial performance; the goal of financial accountability is to improve performance, not to place blame and deliver punishments. Systems of budget reporting have been established with the accounting for NGO expenditures and the provision of information on performance for use by implementers, managers and politicians. The mismanagement and embezzlement of funds by the officials of the non-governmental organizations have contributed to poor financial performance. Jones (2009) argues that for financial accountability to be effective, action should be taken upon institutions,

which render inadequate financial accountability. There may be a functioning financial system, but due to information asymmetries or social polarization, the outcomes may still be biased against the poor.

Humphrey (1993) sights an example of contracts and financial accountability in developing nations where the local community has the authority to verify work done before payments are effected on every phase completed. This has ensured quality work done and reduced 'Ghost' contractors. The wide range of cost estimates itself hints at an insufficient level of financial accountability in these programs, while also provoking the important question of what society is receiving as a return on its substantial investment in the regions. Effective financial accountability to non-governmental organizations requires that NGO staff support their departments through their actions, advice and information (Baron et al., 2007). Effective and useful financial accountability measures must be unambiguous, either monotonically increasing or decreasing measures of either costs or benefits.

To ensure financial accountability, the compliance model requires that every step of the non-governmental organizations financial process be thoroughly documented (Batley, 2006). Formulators and overseers of policy are "principals" who delegate the task of actual implementation of policy to subordinates, or "agents." Principals and their agents are assumed to have more or less diverse, even divergent preferences and goals for policy implementation. At the extreme, some rational-choice theorists contend that agents will tend to "shirk" the implementation work, "subvert" the policy goals of their principals in order to further the agents' own purposes, and even "steal" whatever program resources they can. To solve this "agency problem," the designers and overseers of policy need to operate a financial accountability system that will mitigate the supposed tendency of subordinates to shirk, subvert, and steal. The "agency problem" is essentially a financial accountability problem (Bosch, 2002). The operators who actually deliver financials to people might not do so in the proper way if left to their own devices, therefore non-governmental organizations must design a system to compel their proper behavior or force them to account for improper behavior (Gibelman and Gelman, 2002).

According to Moyes et al., (2006), financial reports must exhibit certain qualities that make them useful to the stakeholders and these include relevance, reliability, understandability and timeliness.

Australian Accounting Research Foundation (1990) stated that it is important for financial reports to be relevant. They must have value in terms in making and evaluating decisions about the allocation of scarce resources and in assessing the rendering of accountability by the providers. The reports must also be reliable because users use them for decision making. Reliability means that information is reasonably free from error and bias and faithfully represents what it purports to represent. Understandability is the ability of users to understand the financial reports. This will depend in part on their own capabilities and in part on the way in which the information is displayed. Timeliness of financial reports is very crucial because reports which are relevant and reliable may be rendered irrelevant if there is undue delay in presenting them. According to Borman (1991), poor quality of financial reports greatly diminishes the quality of NGOs. Quality information is one that is readable, reliable, comparable, consistent, complete, timely, decision-useful, accessible and cost effective. The integrity of the nonprofit sector is served best if NGOs are accountable.

Although both agency and stewardship theories offer a lens for understanding financial accountability, they are based on fundamentally different assumptions about human behavior. Green and Calderon (1996) has pointed out ultimately, if one wishes to complete the performance information loop completely, one must not only demonstrate good results, but also that they are the result of what non-governmental organizations are doing. Financial accountability measures are an attempt to assert more direct NGO control over the financial projects. They are primarily concerned with resource allocation and fiscal efficiency. While it is completely appropriate for those who pay the bills taxpayers, and donors to evaluate critically what they get for their money from NGO projects.

2.3 Empirical Review

There have been prior studies conducted which aimed at examining the effects of financial accountability on the performance of non-governmental organizations. This study fits into the framework of these studies and contributes to extant literature. For the purposes of this study, it is useful to categorize them in relation to their concept, scope, approach and findings.

Koornhof and Du Plessis (2000) took an empirical approach to assessing the usefulness of the

annual report as a mechanism of accountability. Koornhof and Du Plessis (2000) analysed the annual report of Chief Constable for 22 years and found out that for the annual report to be the principal means by which an authority is held to account, it must contain improved measures of performance. Earlier in 1991, Kanyinga and Mitullah (2007) surveyed three user groups to find out what they wanted in financial reports. Their study showed that the inclusion of performance information (five or ten year trend) was desirable and would shed more light on the performance of NGO sector organizations. Moyes and Hasan (1996) also echoed this view when they used the content analysis technique to analyse 18 government agencies annual report. Their study revealed that the disclosure for accountability in terms of evidence of reporting to stakeholders on performance purposes appeared to be lacking. The above results were also supported by Ones and Viswesvaran (1996) when they verified that performance information apart from financial statements was of more importance.

Saucier and Goldberg (1996) studied the annual reports of Italian local governments by using a checklist developed on the basis of literature on disclosure and accountability indices. Later, Ugrin and Odom (2010) extended their study to include federal government and 10 analysed the annual report of 56 government departments using the content analysis technique and a disclosure index. Their study revealed that there were lower levels of mandatory disclosures than voluntary.

Similarly, Mack and Ryan (2007) also studied local government departments but extended their study to include government-owned corporations. In their study, a survey instrument was used to find out the actual users of annual report and their information needs. They found out that the annual report was not the most important source of information. Tooley and Hooks (2009) analysed the annual report of 37 schools in Queensland. In their study, they found that the annual report though useful, had an overemphasized role as a source of information in discharging accountability. They also found that accountability may be discharged more effectively through other media other than the annual report since respondents relied on alternative media such as newsletters and other forms of discussions and interviews. While the above related research on the role and usefulness of the annual report in discharging accountability has been international in focus, there has been little evidence from Non-Governmental Organisations (NGOs) in developed and developing countries especially those in the Sub-Saharan region.

2.4 Literature Summary

Most of the existing studies, with few exceptions (Ryan and Ng 2000; Mack and Ryan 2007) focused on single sources of data. This study however will adopt a triangulated approach by analyzing the information in the annual reports and semi structured questionnaires. These will help to confirm the findings resulting from the annual report and also reveal insights which the analysis could not show and vice versa. This study will address the above mentioned gaps through an examination of financial accountability and financial performance of NGOs.

Following the above literature review, it is evident that the above authors and writers do not close the gap between the financial accountability and performance of the NGO sector. Further, most of the literature about the study variables is for the public sector and still in the developed world. Therefore, this study will provide findings that tend to confirm this literature and to some extent close the gap between the study variables.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter presents the methodology that was used to collect data for the study. It covered the research design, the target population, data collection instruments and procedures.

3.1 Research Design

The research design in this study was a descriptive survey. The researcher chose this research design because the study aimed at collecting information from respondents on their attitudes and opinions in relation to the effects of financial accountability on the performance of non-governmental organizations.

3.2 Target Population

According to Cooper and Schindler (2000), a population is defined as the total selection of elements about which the researcher wants to make some inferences. The director human rights upholds Uganda limited identified 173 stakeholders in the organisation. This was the study population though a convenient sample which will be taken based on sampling design to represent the rest of the organisations. The study surveyed the Management team and Accounting practitioners of the sampled organisation.

3.3 Sample Design

Stratified random sampling design was used to select the sample. This choice was made because it gave each item in the population an equal probability of being selected. A quota of 30% was established for each stratum in from the NGOs. Using stratified random sampling design, the researcher selected 52 respondents on whom the survey was conducted. A table of random Numbers was used to select the individual respondents for the study.

Formulas

30% of the total population

$30 \times 173 = 52$ (sample size)

100

Table 1: 3.1 Sample Distribution

Category	Accessible population	Sample representation
Top management	30	10
Finance officers	120	36
External auditors	20	6
Total	173	52

Source: researcher 2016

3.4 Data Collection Instruments

3.4.1 Primary data

The researcher used a questionnaire. Semi structured questionnaire was used to collect data. The closed ended questions was used for easy coding and analysis while the open ended questions were used to elicit more information from respondents to complete any missing links. The questionnaire had items that aimed at answering the study questions and it met the research objectives. The choice of this tool of data collection was guided by the time available and the objectives of the study. Questionnaires provided a high degree of data standardization and adoption of generalized information amongst any population.

An interview guide was used which contained a list of questions that were asked to the respondent expecting immediate answers.

3.4.2 Secondary Data

These are data obtained second hand from published or recorded sources and used for a purpose different from that of the agency that initially collected and published the data. These are data gotten from reports, financial statements, account and budget plans, magazines etc. In this case, the information was gotten from official documents of the human rights upholds Uganda.

3.5 Reliability and Validity of the Instruments

In order to ensure validity and reliability, the questionnaires composed of carefully constructed questions to avoid ambiguity and in order to facilitate answers to all the research questions. The questionnaire was pre-tested in a pilot study through a sample of 2 top management, 2 finance officers, 2 external auditors to avoid respondent contamination (Kothari,2007), after which corrections and adjustments was done; this ensured reliability. The validity of the research instrument was then tested for internal consistency by use of Cronbach's Alpha with a 70% acceptance level.

3.6 Data Collection Procedures

The respondents were required to complete questionnaire as honestly and as completely as possible. The researcher used assistants to distribute by hand the questionnaires to the selected respondents. On completion, the research assistants collected the questionnaires and ensured high completion rate and return the completed questionnaires. The researcher used drop and pick method so as to give the respondents enough time as possible to fill the questionnaire.

3.7 Data Analysis Procedures

Analysis of data was done in order to answer the research question of this study. Data collected was sorted, classified and coded then tabulated for ease of analysis. The data was summarized and categorized according to common themes. The SPSS (version 17) computer software aided the analysis as it was more user friendly and most appropriate for analysis of Management related attitudinal responses (Newton and Jeonghun, 2010). Descriptive statistics were employed to analyze the data. The mean score for each attribute were calculated and the standard deviation used to interpret the respondents deviation from the mean. The results wee presented on frequency distribution tables, pie charts and bar charts. Here the interest was focused on frequency of occurrence across attributes of measures.

3.8 Measurement of Variables

In this study, the measurement of variables was done individually. This study has one independent variable and one dependent variable. The independent variable was financial accountability level, while the dependent variable was financial performance.

a) Financial Accountability

This was measured by identifying its attributes such as rules, procedures & regulations and the extent to which they are applied in Financial Management. These were measured in terms of the degree of divergence between the accepted standards and the actual prevailing practices. Therefore, to test perceived accountability a set of statements were used and applied to a five-point likert scale ranging from 5 Very great extent, 4 Great extent, 3 Moderate extent, 2 Little extent and 1 No extent.

b) Financial Performance

This was measured using the three indicators of Value For Money (VFM) a good measure for financial performance in the non-governmental sector. That is, economy, efficiency, and effectiveness. Therefore, to test financial performance the researcher devised for each measure a set of statements to test the perceptions of the respondents, using a five-point scale from very great extent to very low extent.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETITION

4.0 Introduction

This chapter presents analysis and findings of the study as set out in the research methodology. The results are presented on the effects of financial accountability on the performance of non-governmental organizations in Uganda taking human rights upholds Uganda as a case study. The data was gathered exclusively from questionnaire as the research instrument. The questionnaire was designed in line with the objectives of the study. To enhance quality of data obtained, Likert type questions were included whereby respondents indicated the extent to which the variables were practiced in a five point Likert scale.

4.1 Response Rate

The study targeted to sample 52 respondents in collecting data with regard to the performance of non-governmental organizations in Uganda taking human rights upholds Uganda. From the study, 37 out of 52 sampled respondents filled in and returned the questionnaire contributing to 71%. This commendable response rate was made a reality after the researcher made personal visits to remind the respondent to fill-in and return the questionnaires.

Table 2: 4.1: Response rate

Response	Frequency	Percentage
Responded	37	71
Not responded	15	29
Total	52	100

Source: Survey Data (2016)

4.2 Demographics

4.2.1 Respondent Position

The study aimed at investigating respondents position in the NGO, according to the findings 70% who were the majority were finance officers, 19% were top management and 11% were external auditors. The findings show that the targeted departments were well presented in the study.

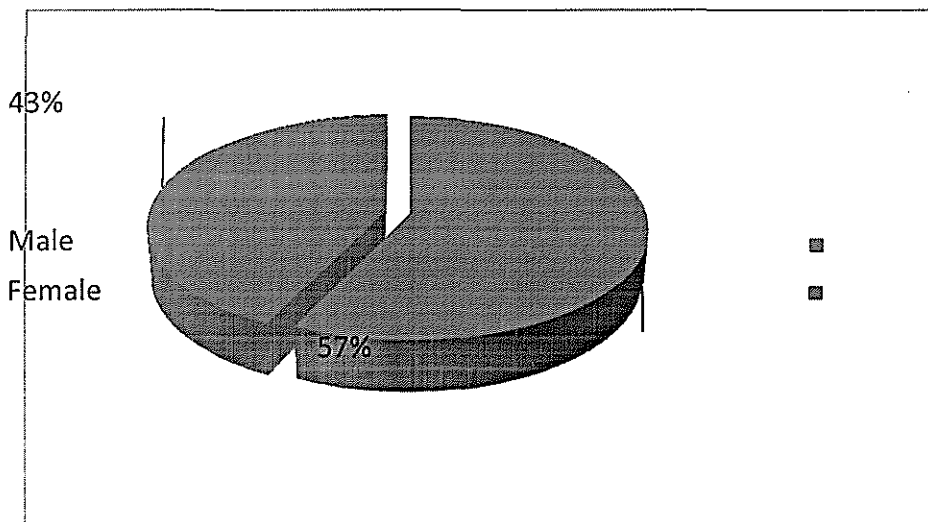
Table 3: 4.2: Respondent position

Position	Frequency	Percentage
Top management	7	19
Finance officers	26	70
External auditors	4	11
Total	37	100

Source: Survey Data (2016)

4.2.2 Respondent Gender

Figure 1: 4.2: Respondent gender



Source: Survey Data (2016)

The study aimed at investigating the respondent's gender, 57% who were the majority were male while 43% were female. The findings show that gender parity was observed in the study.

4.2.3 Respondent Age

Respondents were asked to indicate their age 32% who were the majority were between the age of 31 to 40 years, 27% were between the age of 41 to 50 years, 19% were between the age of 25 to 30 years, 14% were between the age of 51 to 60 years while 8% were between the age of above 60 yrs. This shows that the respondents were mature and could answer questions to the study appropriately.

Table 4.3: Respondent age

Age	Frequency	Percentage
25- 30 years	7	19
31- 40 years	12	32
41-50 years	10	27
51-60 years	5	14
Above 60 yrs	3	8
Total	37	100

Source: Survey Data (2016)

4.2.4 Level of Education

On the respondents level of education the study found that 51% who were the majority had university degree, 41% had post graduate, 8% had college diploma while the study found that there was no respondent who had only reached primary or secondary level. This shows that the respondents were well educated.

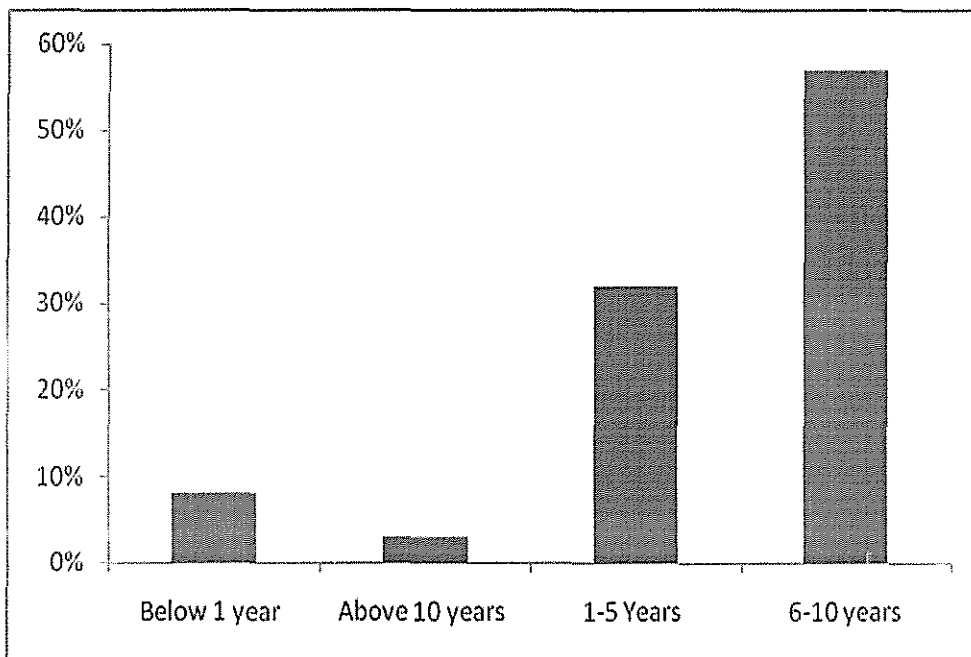
Table 4.4: Level of education

Level of education	Frequency	Percentage
Primary	-	-
Secondary	-	-
College Diploma	3	8
University Degree	19	51
Post Graduate	15	41
Total	37	100

Source: Survey Data (2016)

4.2.5 Number of Years of Experience

Figure 2: 4.2: Number of years of experience



On investigating the number of years of experience in the NGO sector, 57% who were the majority had worked for a period between 6 to 10 years, 32% had worked for a period between 1 to 5 years. 8% had worked for a period below 1 year and 3% had worked in the sector for above 10 years. This is a clear indication that all the respondents had stayed in their respective NGOs for a period of time hence they were conversant with how the NGOs operated financially.

4.3 Financial Accountability

4.3.1 Financial Standards Applied

Respondents were asked describe extent of which the NGOs applied financial standards in ensuring accountability of finances in the organizations. According to the respondents the financial manuals are reviewed and given to all directors and officers, trustees, employees and volunteers to confirm authenticity of the records. The procedure cited by the respondents included: preparing an annual income and expense budget and periodic reports at least monthly by comparing actual receipts and expenditures to the budget with timely variance explanations; writing and signing cheques or vouchers and receiving, recording, securing and depositing cash and other receipts. These procedures ensured that no single individual was responsible for receiving, recording and depositing funds or writing and signing cheques besides the authorised persons. Checks and balances were ensured to make embezzlement more difficult; the NGO ensured that grants and contributions received were properly recorded, accounted for as required as a condition of any grant were completed and restrictions on the use of such funds, such as contributions given for a restricted purpose (examples given included; building fund and scholarships) and prohibitions on the use of the principal of an endowment, were obeyed; requisitioning, authorizing, verifying, recording and monitoring all expenditures, including payment of invoices, petty cash and other expenditures. These procedures ensured that no single individual was permitted to request, authorize, verify and record expenditures these functions were assigned to different individuals.

Respondents also pointed out that the accessing, inputting and changing of electronic data was maintained by the top management only preserving electronic records and ensuring data compatibility when systems change and creating an appropriate records retention policy were part

of this process. Accountability was also ensured by provision of regular oversight by an audit committee or, if there is no audit committee, by the executive committee or by the board of directors itself. Reporting to the audit committee or board by employees and volunteers of allegations of fraud or financial improprieties was encouraged at all times. The NGO also ensured that there was timely and appropriate financial reports distributed to all directors and that all officers reviewed them, as well as the president, chief executive officer, treasurer and chief financial officer.

4.3.2 Extent of Financial Accountability

The study aimed at establishing financial accountability with given statements which was found to be to a moderate extent as shown by a mean score of 3.071111 in that; the respondents NGO prepared regular financial reports for the benefit of stakeholders was to a great extent as shown by a mean score of 4.5600, the NGO's annual financial reports demonstrated financial accountability and stewardship was to a great extent as shown by a mean score of 4.3200, the management of the NGO produced balance sheets to show the financial position of the NGO was to a great extent as shown by a mean score of 3.9733, there being many queries about the financial reports prepared by the respondents NGO was to a moderate extent as shown by a mean score of 3.4133, the annual financial statements of the NGO showed a clear picture of the resources entrusted to them and how they have been used during the year was to a moderate extent as shown by a mean score of 3.1067, the management of the NGO regularly produced cash flow statements to show the organization's projected cash inflows and outflows was to a moderate extent as shown by a mean score of 3.1067, the staff of the NGO submit reported for business advances in a timely manner was to a low extent as shown by a mean score of 2.0933, in their reporting to stakeholders the management of the NGO supplemented the financial reports with other non-financial reports was to a low extent as shown by a mean score of 1.6400 and the management of the NGO periodically prepared income and expenditure statements was also found to be to a low extent as shown by a mean score of 1.4267, the findings are as tabulated in the table overleaf.

Table 4: 4.5: Extent of financial accountability

Statement	Mean	Std. Deviation
This NGO prepares regular financial reports for the benefit of Stakeholders	4.5600	.79253
This NGO's annual financial reports demonstrate financial accountability and stewardship	4.3200	.90285
The annual financial statements of this NGO show a clear picture of the resources entrusted to them and how they have been used during the year	3.1067	1.10983
The management of this NGO periodically prepares income and expenditure statements	1.4267	.85698
The management of this NGO produces balance sheets to show the financial position of the NGO	3.9733	1.11468
The management of this NGO regularly produces cash flow statements to show the organization's projected cash inflows and outflows	3.1067	1.09758
In their reporting to stakeholders the management of this NGO supplements the financial reports with other non-financial reports	1.6400	1.19277
The staff of the NGO submit reports for business advances in a timely Manner	2.0933	.93250
There have not been many queries about the financial reports prepared by this NGO	3.4133	.91671
Total	27.64	8.91643
Average	3.071111	0.990714

Source: Survey Data (2016)

4.3.4 Quality of Financial Reports

On how respondents could describe their organization in terms of quality of financial reports, respondents indicated that quality of financial reports was determined by the NGOs internal controls, sampling techniques used in accounting, audit evidence through internal and external sources and emphasis employed by the organization on the truth and fairness of financial statements.

4.3.5 Ensuring of Quality Financial Reports

On statements relating to the quality of financial reports in the NGO was found to be to a great extent as shown by a mean score of 3.91281 in that; the NGO's financial reports were designed to incorporate key issues or changes derived from previous auditors' reports was to a great extent as shown by a mean score of 4.7067, the NGO's financial reports contained all relevant material information (about debtors, creditors, accruals etc.) was to a great extent as shown by a mean score of 4.4414, the information in the NGO's financial reports was accurate was to a great extent as shown by a mean score of 4.4110, the NGO's financial reports produced provide relevant information to the donors for decision making and planning was to a great extent as shown by a mean score of 4.3667, the officials concerned with funds of the NGO were trustworthy was to a great extent as shown by a mean score of 4.2811, there was sufficient reliable information on budget execution was to a great extent as shown by a mean score of 4.2537, the financial reports produced were clearly understood by the donors was to a great extent as shown by a mean score of 4.2401, the NGO prepared budget/expenditure analysis reports for use by management was to a great extent as shown by a mean score of 3.7634, the financial accountability in the NGO was rated as satisfactory was to a moderate extent as shown by a mean score of 3.1693 and the NGO's financial reports were understandable was to a low extent as shown by a mean score of 1.4947.

Table 5: 4.6: Ensuring of quality financial reports

Statement	Mean	Std. Deviation
The information in the NGO's financial reports is accurate.	4.4110	.91634
There is sufficient reliable information on budget execution	4.2537	.97317
The financial accountability in this NGO can be rated as satisfactory.	3.1693	1.125
The officials concerned with funds of the NGO are trustworthy	4.2811	.92369
The financial reports produced are clearly understood by the donors	4.2401	.94241
The NGO's financial reports are understandable.	1.4947	.72374
The NGO's financial reports contain all relevant material information (about debtors, creditors, accruals etc.)	4.4414	.75756
The NGO's financial reports produced provide relevant information to the donors for decision making and planning	4.3667	.79974
The NGO prepares budget/expenditure analysis reports for use by Management	3.7634	1.0717
The NGO's financial reports are designed to incorporate key issues or changes derived from previous auditors' reports.	4.7067	.63189
Total	39.1281	8.86524
Average	3.91281	0.886524

Source: Survey Data (2016)

4.4 Financial Performance

4.4.1 Fraud on Performance

The study aimed at investigating the extent to which fraud affected the activities and performance of the NGOs, 46% who were the majority indicated that NGO performance was affected by fraud to a great extent, 32% cited that NGO performance was affected by fraud to a very great extent, 14% indicated that NGO performance was affected by fraud to a moderate extent, 5% indicated NGO performance was affected by fraud to no extent while 3% indicated that NGO performance was affected by fraud to a Little extent. The findings are tabulated in the table below.

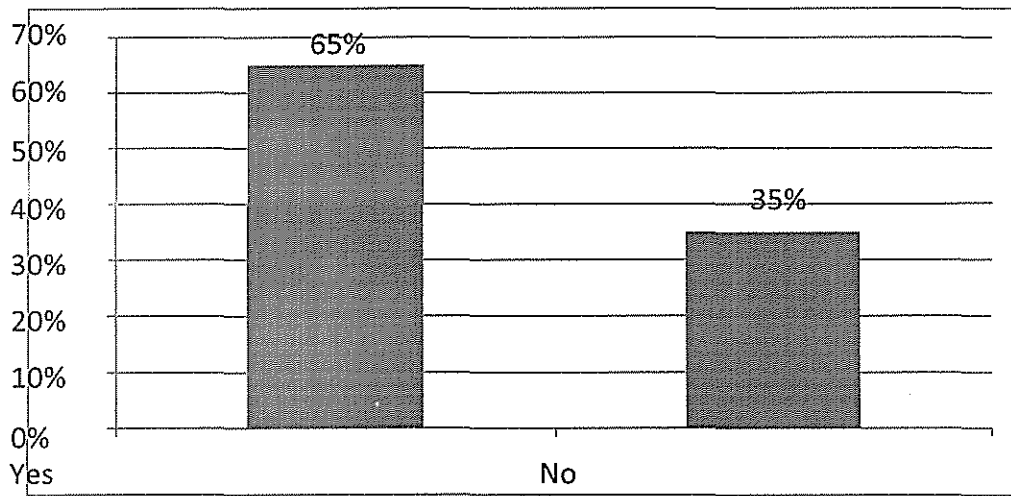
Table 6: 4.7: Fraud on performance

Response	Frequency	Percentage
Very great extent	12	32
Great extent	17	46
Moderate extent	5	14
Little extent	1	3
No extent	2	5
Total	37	100

Source: Survey Data (2016)

4.4.2 Use of Technology on Detecting Fraud

Figure 3: 4.3: Use of technology on detecting fraud

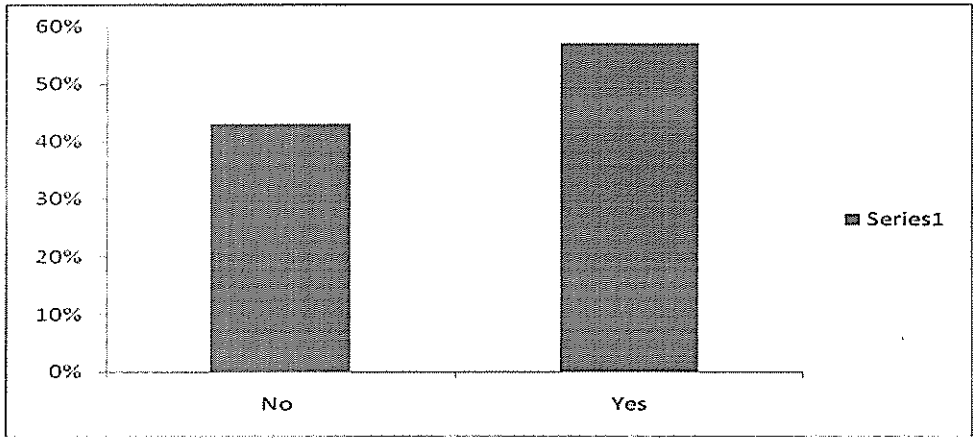


Source: Survey Data (2013)

The study aimed at investigating whether the NGO has a recent technology that can detect any fraud intended 65% of the respondents indicated yes while 35% indicated no as their response. This shows that NGOs have adopted new technology of fraud detection.

4.4.3 Measures of Detecting and Controlling Fraud

Figure 4: 4.4: Measures of detecting and controlling fraud



Source: Survey Data (2016)

On whether the organizations had set measures of detecting and controlling fraud, 57% who were the majority cited yes they had set measures of detecting and controlling fraud while 43 cited no as their response.

In support of their answer those who cited yes indicated that this was a mandate given by the donors and have to be implemented and monitored regularly and hence had to be adopted. Those who respondents that they don't have measure of controlling fraud cited that they did not see any importance since the finances are well accounted for and they have never received any complaints nor had issues with accounting to their financial use.

4.4.4 Financial Performance

On statement relating to financial performance of the NGO was found to be to a great extent as shown by a mean score of 3.87555 in that; NGO Officials and Administrators always looked forward to getting out much in relation to how much they put in was to a great extent as shown by a mean score of 4.2133, on all the NGOs Programmes/Projects the Officers always look out for the impact which was the output of all these functions either contributed to or influences NGOs

performance as a whole was to a great extent as shown by a mean score of 4.2000, every Staff in the NGO endeavored to optimally use resources on time in the attainment of the NGOs objectives was to a great extent as shown by a mean score of 4.1200, on whether the NGOs always ensured that in every process there was best use of resources by getting it right first time or whether they had to duplicate was to a great extent as shown by a mean score of 3.9733, if there was high level of modernisation exhibited by the extent to which the NGOs had adopted management practices that was regarded as being innovative and forward looking was to a great extent as shown by a mean score of 3.6400 and on whether there was satisfaction on all the NGOs Programmes/Projects which was exhibited by how the service were perceived by both senior management and the internal staff on these projects was found to be to a great extent as shown by a mean score of 3.1067.

Table 7: 4.8: Financial performance

Statement	Mean	Std. Deviation
NGOs Officials and Administrators always look forward to getting out	4.2122	.82680
The NGOs always ensures that in every process there is best use of resources by getting it right first time or whether you have duplication	3.9733	.92959
Every Staff in the NGOs endeavours to optimally use resources on time in the attainment of the NGOs Objectives	4.1200	1.02614
On all the NGOs Programmes/Projects the Officers always look out for the impact which is the output of all these functions either contributes to or influences NGOs performance as a whole	4.2000	.97260
There is satisfaction on all the NGOs Programmes/Projects which is exhibited by how the service is perceived by both senior management and the internal staff on these projects	3.1067	1.09758
There is a high level of modernisation exhibited by the extent to which the NGOs have adopted management practices that would be regarded as being innovative and forward looking	3.6400	1.19277
Total	23.2533	6.04548
Average	3.87555	1.00758

Source: Survey Data (2016)

CHAPTER FIVE

SUMMARY OF FINDINGS CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter provides the, summary of the findings from chapter four, discussion of findings and also it gives the conclusions and recommendations of the study based on the objectives of the study. The main objective of this study was to establish the effects of financial accountability on the performance of non- governmental organizations in Kampala district.

5.1 Summary

The purpose of the study was to analyse the relationship between accountability and performance of non governmental organisations considering human rights upholds Uganda as a case study. The researcher used a semi structured questionnaire to collect data. The other methods used to collect data were interviews, documentary review and observation. The data collected was analysed using SPSS. The research findings were both qualitative (descriptive statistics) and quantitative. The major findings of the study are highlighted in the paragraph below.

Financial accountability on the performance of non-governmental organizations

The study also found that the NGO applied financial standards in ensuring accountability of finances in the organizations. The financial manuals are reviewed and given to all directors and officers, trustees, employees and volunteers to confirm authenticity of the records. The accessing, inputting and changing of electronic data was maintained by the top management only' preserving electronic records and ensuring data compatibility when systems change and creating an appropriate records retention policy were part of this process.

Relationship between financial accountability and performance of non-governmental organisations

The financial accountability in the NGOs was found to be to a moderate extent. The quality of financial reports in the NGOs was found to be to a great extent. On how respondents could describe their organization in terms of quality of financial reports, it was found that quality of financial reports was determined by the NGOs internal controls, sampling techniques used in accounting, audit evidence through internal and external sources and emphasis employed by the

organization on the truth and fairness of financial statements.

The effect of fraud on performance of non governmental organisations

The study further found that fraud affected the activities and performance of the NGOs to a great extent. It was found that NGO's have recent technology that can detect any fraud intended. Majority indicated that the organization had set measures of detecting and controlling fraud. Those who had set measures of detecting and controlling fraud indicated that it was a mandate given by the donors and had to be implemented and monitored regularly and hence had to be adopted while those who did not have measure of controlling fraud cited that they did not see any importance since the finances are well accounted for and they have never received any complaints nor had issues with accounting to their financial use.

5.2 Discussion

Financial accountability on the performance of non-governmental organizations

According to Moyes et al., (2006), financial reports must exhibit certain qualities that make them useful to the stakeholders and these include relevance, reliability, understandability and timeliness. Australian Accounting Research Foundation (1990) stated that it is important for financial reports to be relevant. They must have value in terms in making and evaluating decisions about the allocation of scarce resources and in assessing the rendering of accountability by the providers. The reports must also be reliable because users use them for decision making. The findings of this study approves these findings of Moyes,(2006).

Relationship between financial accountability and performance of non-governmental organisations

According to Lee and Ali (2008) there is a strong relationship between financial accountability and financial performance. This is because financial accountability improves financial performance; the goal of financial accountability is to improve performance, not to place blame and deliver punishments. The findings of the study agreed with the findings of Lee and Ali (2008).

The effect of fraud on performance of non governmental organisations

According to Cressey (1973), dishonest employees will infect honest employees. A non-sharable financial need affects the behaviour of one who violates a trust to commit fraud. What is deemed

non-sharable is in the eyes of the offender. The findings of my study agreed with the above findings.

5.3 Conclusions

Financial accountability on the performance of non-governmental organizations

The study finally concludes that taking the independent variables at zero, a unit increase in financial accountability will lead increase in the scores of financial performance in NGOs in Kampala district.

Relationship between financial accountability and performance of non-governmental organisations

The study established a significant relationship between financial accountability and financial performance in NGOs in Kampala district.

The effect of fraud on performance of non governmental organisations

The study concludes that NGOs in Kampala district have upheld financial accountability to a great extent however financial fraud still appears as a challenge and affects the quality of the financial documents. Therefore, as confirmed by the major findings of these study codes of conduct are one step in the journey of attaining value for money. They are, however, an essential step and one that can be delayed no longer if the NGOs are to achieve their strategic goals through their entities and agencies.

5.4 Recommendations

Financial accountability on the performance of non-governmental organizations

The study recommends that the boards and officers of NGOs should be responsible for managing and preserving the charitable assets that benefit all stakeholders. The study recommends the following guidelines to assist board members and others in carrying out their oversight of NGOs financials. Whatever their mission or size, all NGOs should have policies and procedures established so that; boards and officers understand their fiduciary responsibilities, financials are managed properly and the charitable purposes of the organization are carried out. A failure to meet these obligations is a breach of fiduciary duty and can result in financial and other liability for the board of directors and the officers. Effective internal controls should be encouraged to protect an

organization's financials and assist in their proper management.

The study also recommends that it is the primary responsibility of directors and officers to ensure that the NGOs are accountable for their programs and finances to the contributors, members, the public and government regulators. Accountability requires that the organization comply with all applicable laws and ethical standards; adhere to the organization's mission; create and adhere to conflict of interest, ethics, personnel and accounting policies; protect the rights of members; prepare and file its annual financial report with the NGOs Coordination Board and appropriate state regulatory authorities and make the report available to all members of the board and any member of the public who requests it. The development and maintenance of the organization's internal controls will help to ensure accountability.

Relationship between financial accountability and performance of non-governmental organisations

The study also recommends that there should be written job descriptions for directors, officers and trustees, employees, volunteers and consultants. The work of the organization will be more easily accomplished and problems will be avoided if all involved understand what is expected of them and the limits of their authority. A comprehensive description of the chief executive officer's job should make clear his or her responsibilities in the day-to-day activities of the organization and set forth exactly what information is expected by the board and when it must be communicated.

The effect of fraud on performance of non governmental organisations

The study finally recommends that appropriate training should be arranged for all involved. New directors, officers, employees and volunteers should be trained by those who are familiar with the organization and its operations including financial accountability. Directors, officers, trustees and others who serve a nonprofit organization should not have any personal or business interest that may conflict with their responsibilities to the organization. To avoid such conflicts, it is wise to have a "conflicts of interest policy" that clearly states the procedures to be followed if a board member's personal or financial interests may be advanced by an action of the board. Crucial to the governance of a not-for-profit organization is the establishment of an audit committee. Typically, an audit committee is composed of members of the board of directors who are independent of any financial interest in the organization and at least one of whom has expertise in accounting.

5.6 Limitations of the Study

The investigative nature the study sparked misplaced suspicion. Respondents feared that the study intends to implicate individuals in a negative way. To this end, this suspicion offered resistance and lack of cooperation. The researcher however eliminated this paranoia by clarifying the objectives of the study.

There was reluctance of some respondents to complete the questionnaires promptly and others even failed to complete them at all. This thus limited the number of respondents involved in the study although the researcher geared up efforts and approaches to them explaining the potential benefits of the study.

5.5 Suggestions for Further Research

The study has explored the effects of financial accountability on the performance of non-governmental organizations in Kampala district. In Kampala however there comprised of various other sectors which differ in their way of management and have different settings all together. This warrants the need for another study which would ensure generalization of the study findings for all the sectors in Kampala and hence pave way for new policies. The study therefore recommends another study be done with an aim to investigate the effects of financial accountability on the performance of firms in Kampala.

Further a study should also be carried out to investigate the effects of financial accountability on the performance of the public sector in Kampala.

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APPENDICES

Appendix I: Letter to Respondents

Dear respondent,

RE: LETTER OF INTRODUCTION

I am an undergraduate student undertaking a bachelors of Business Administration degree at the School of Business, Kampala international university. As a partial fulfillment of the requirements for the award of the Bachelor's degree, I am currently conducting a survey on the effect of financial accountability on the performance of non-governmental organizations in Uganda. You have been selected to take part in the survey together with respondents from other NGOs.

The information provided will be treated with utmost confidence and shall be used for the academic research purpose. Should you require the findings of this research, I won't hesitate to provide the information. Your participation is highly appreciated.

I am aware that filling the questionnaire is time consuming and I will greatly appreciate your assistance. Any additional information in form of suggestions and comments that you deem necessary to make my research findings more conclusive, relevant and reflective of the study area will be highly appreciated.

Thank you in advance.

Yours faithfully,

Nansamba Brenda

BBA Student

APPENDIX II: QUESTIONNAIRE

Questionnaire by (optional) _____ Date:

SECTION A: DEMOGRAPHICS/ RESPONDENT PROFILE

1. NGO Name (Optional)
2. Position of Respondent

3. Gender
 - Male []
 - Female []

4. Age
 - 25- 30 years []
 - 31- 40 years []
 - 41-50 years []
 - 51-60 years []
 - Above 60 yrs []

5. Please indicate your highest level of education attained

Primary []

Secondary []

College Diploma []

University Degree []

Post Graduate []

6. Number of years of experience in:

NGO sector.....

SECTION B: FINANCIAL ACCOUNTABILITY

7. To what extent can you describe the financial standards applied in ensuring accountability of finances in your organization?

.....

8. To what extent does your organization ensures the given in relation to financial accountability. Use a scale of 1-5 where 5 Very great extent, 4 Great extent, 3 Moderate extent, 2 Little extent and 1 No extent

	1	2	3	4	5
This NGO prepares regular financial reports for the benefit of stakeholders					
This NGO's annual financial reports demonstrate financial accountability and stewardship					
The annual financial statements of this NGO show a clear picture of the resources entrusted to them and how they have been used during the year					
The management of this NGO periodically prepares income and expenditure Statements					
The management of this NGO produces balance sheets to show the financial position of the NGO					
The management of this NGO regularly produces cash flow statements to show the organization's projected cash inflows and outflows					

In their reporting to stakeholders the management of this NGO supplements the financial reports with other non-financial reports					
The staff of the NGO submit reports for business advances in a timely Manner					
There have not been many queries about the financial reports prepared by this NGO					

9. According to your organization how can you describe your quality of financial reports?

.....

.....

.....

10. To what extent does your organization ensures the given in relation to quality of financial reports. Use a scale of 1-5 where 5 Very great extent, 4 Great extent, 3 Moderate extent, 2 Little extent and 1 No extent

Statement	1	2	3	4	5
The information in the NGO's financial reports is accurate.					
There is sufficient reliable information on budget execution					
The financial accountability in this NGO can be rated as satisfactory					
The officials concerned with funds of the NGO are trustworthy					
The financial reports produced are clearly understood by the donors					
The NGO's financial reports are understandable.					
The NGO's financial reports contain all relevant material information (about debtors, creditors, accruals etc.)					
The NGO's financial reports produced provide relevant information to the donors for decision making and planning					
The NGO prepares budget/expenditure analysis reports for use by Management					
The NGO's financial reports are designed to incorporate key issues or changes derived from previous auditors' reports.					

SECTION C: FINANCIAL PERFORMANCE

11. To what extent does fraud affect the activities and performance of your organization?

Very great extent

Great extent

Moderate extent

Little extent

No extent

12. Do you have the recent technology that can detect any fraud intended?

Yes No

13. Does your organization have set measures of detecting and controlling fraud?

Yes

No

b) Briefly explain why?

.....

.....

.....

14. To what extent does your organization ensures the given in relation to financial performance. Use a scale of 1-5 where 5 Very great extent, 4 Great extent, 3 Moderate extent, 2 Little extent and 1 No extent

Statements	1	2	3	4	5
NGOs Officials and Administrators always look forward to getting out much in relation to how much they put in					
The NGOs always ensures that in every process there is best use of resources by getting it right first time or whether you have duplication					
Every Staff in the NGOs endeavours to optimally use resources on time in the attainment of the NGOs Objectives					
On all the NGOs Programmes/Projects the Officers always look out for the impact which is the output of all these functions either contributes to or influences NGOs performance as a whole					
There is satisfaction on all the NGOs Programmes/Projects which is exhibited by how the service is perceived by both senior management and the internal staff on these projects					
There is a high level of modernisation exhibited by the extent to which the NGOs have adopted management practices that would be regarded as being innovative and forward looking					

THANK YOU FOR YOUR PARTICIPATION