

**BUDGETARY CONTROLS AND PERFORMANCE OF PUBLIC BENEFITS
ORGANIZATIONS IN KISUMU COUNTY, KENYA**

BY

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DECLARATION

I, the undersigned, declare that this is my original work and has not been presented to any institution or university other than the University of Nairobi for examination.

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DEDICATION

I dedicate this research work to the almighty God, my Lord and Savior. Secondly, to my parents, Rosemary and the late Philip Okwaro for bringing me up, loving me and investing towards my education, without which I would not have nurtured my talents and lastly to my wife Janet and son Jeremy. I am forever grateful!

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ABBREVIATIONS/ACRONYMS

ABB-	Activity Based Budgeting
CBO-	Community Based Organization
CIMA-	Chartered Institute of Management Accountants
PBOs-	Public Benefits Organizations
CSO-	Civil Society Organizations
NPO-	Non-Profit Organization
PPBS-	Planning Programming Budgeting System
ZBB-	Zero Based Budgeting

ABSTRACT

Many Public Benefit Organizations have emerged in Kisumu County, Kenya with an aim of offering solutions to the many problems being faced by the residents. Many managers of NGOs and other stakeholders do not appreciate the important role played by budgets in the financial performance of their organizations. This therefore calls for some conclusive research whose findings will help fill in the knowledge gap that currently exists about the role of budget in an organization. Due to the shaky and decreased funding to PBOs by donor organizations, transparency and budgetary control is emerging as a key issue in the sector. This study therefore aimed to achieve one objective; to determine the Relationship between budgetary controls and performance of non-governmental organizations in Kisumu County. This study employed multiple regressions to analyze the effect. The data collection involved the use of both quantitative and qualitative research methodology. I collected Primary data using a questionnaire to prompt information about budget control strategies of PBOs in Kisumu County. I successfully obtained data from 277 PBOs. The Target respondents were the Finance/Grants Officers and the Accountants of the target PBOs. Data was analyzed and presented in form of pie charts, descriptive tables and histograms. The data was analyzed using the Statistical Package for Social Sciences (SPSS). Before running the regression, data testing was conducted. To obtain a goodness-fit estimation, some tests were carried out to ensure statistical assumptions, such as linearity of variables, no correlation among independent variables, and no omitted variable problem. Multiple correlation coefficients was then calculated to determine the relationship between budgetary control measures and financial performance of PBOs in Kisumu County. The findings indicated that a considerable relationship exists between budgetary control strategies and performance of public benefit organizations indicating that the various budgetary control strategies affect performance of the PBOs at a considerable level. Recommendations were made that PBOs in Kisumu County should consider enhancing budgetary control measures for those who have and introducing the control measures for those who do not have. This is because the budgetary controls have a positive implication of performance and are critical at this time when the PBOs are experiencing shrinking funding from traditional European and American donors.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

A PBO's performance is how well it contributes to other people's efforts to improve their lives and societies. Conceptually, budgets are a means of managing performance, communicating expectations and deploying resources. The role of Public benefit Organization (PBO) in the growth and development in Kenya has been growing in recent years. (PBO) have over the years come to be recognized as important actors on the landscape of development, Lewis and Kanji (2009). For proper development to be achieved, we must consider the source of the funds and how the funds are used. In PBOs, budgets are used as a means of monitoring outcomes and controlling correction of deviation from the plans, it can also be used as a means in which managers interact with the subordinates, this when used well, it has been found to facilitate strategic change within the budgeting entity as the budgeting process gives all employees an opportunity to get involved in the planning and the management process. The budgeting process comprises of two phases: The planning phase and the control phase (Douglas, 1994). The planning phase identifies the goal to be attained and the financial plan required to achieve them. The control phase focuses on the actual performance vis a vis the laid out plan comparing the budgeted revenue and expenditure against the actual revenue and expenditure.

The enactment of The Public Benefits Organization Act 2013 created a legal framework under which the PBOs operate and drastically changed the landscape in which the

organizations operate. Section 65(2) of the public Benefits Organization Act 2013 states that (2) The income of a public benefit organization may include donations of cash, securities, and in-kind contributions, bequests, membership fees, gifts, grants, real or personal property and income generated from any lawful activities undertaken by the public benefit organization with its property and resources. Willetts (2001) says that no generally accepted definition of PBOs exists, but there are three other generally accepted characteristics that exclude some organizations from being considered as PBOs. First, PBOs should not be political parties or governmental agencies. They should not be any institutions directly affiliated with any organizations of a government. Second, they should not generate profit. Profit making companies are not PBOs. Third, all criminal groups should be excluded from the definition of PBOs, although they do not belong to governments or private companies. Although the number, size of PBOs, international scope and range of involvement has increased significantly, PBOs need transparent means and reliable criteria for the assessment of their performance. Monitoring PBOs to eliminate or minimize abuse and maintain public confidence is thus essential to the effectiveness of its programs.

There are many non-governmental organizations in Kenya both local and international. In the last ten years, there has been a gradual increase in the funding for the PBOs in the country and more specifically in Kisumu County. However as from the year 2013, the sector has witnessed a substantial decline in funding levels from donor institutions due to the economic downturn in Europe and America. This decrease in funding has led to an emerging focus on budgetary control and proper monitoring of funds and their usage so as to achieve maximum output with minimum resources. This is where we focus on the

budgets as the most important tool of control and managing performance while enhancing transparency and accountability. Hancock (1989) in his thesis said that there is also threat of loss of credibility amongst PBOs due to lack of accountability, transparency and low impact. PBOs face the risk of becoming less cost effective than governments.

1.1.1 Budgetary Controls

Budgetary control is defined by the Institute of Cost and Management Accountants (CIMA) as: "The establishment of budgets relating the responsibilities of executives to the requirements of a policy, and the continuous comparison of actual with budgeted results, either to secure by individual action the objective of that policy, or to provide a basis for its revision". This involves comparison of the actual performance with the budget with a view of ascertain whether the performance agrees with what was planned. Schick (1999) concurs by stating that the main purpose of a budget in any organization is for planning and controlling in order to achieve organizational goals and objectives. A budget is a standard against which the actual performance of an organization can be compared and measured.

The purpose of budget control is to; understand and assess budgetary and management systems and capabilities, ensure compliance with rules, regulations, and requirements, safeguard organization funds against fraud, waste, and abuse, help identify potential audit issues, identify technical assistance and training needs, identify needed improvements and follow up on issues or corrective actions (Bonnie, 2008). This is to ensure performances are in accordance with the functions of management. According to Shim and Siegel "at the beginning of the period, the budget is a plan or standard, at the end of

the period, it serves as a control device to help management measure whether its performance may be improved.

Some schools of thought have identified several criteria that the budget control systems of PBOs and other donor funded projects must meet in pursuance of budget control. One such major classification is proposed by Shizhen (2005) which includes financial reporting, accounting records and source documentation, internal control, cost allowance and cash management and compliance frameworks

Budgetary control has some limitations based on the size of the entity and the type of management, these include; rigidity, strict adherence of budgetary provisions has a danger of the budgets losing their usefulness, budgets should be revised regularly to suit the prevailing circumstances setting up and implementation of budget management system can be costly as it may involve hiring of specialists who small organizations may not afford, a budget is an estimate of the future anticipated costs thus may not be 100% accurate. This may bring limitations in terms of comparison with the actual.

1.1.2 Organizational Performance

In the last decade there has been a gradual rise in the interest among researchers and nonprofit practitioners on the performance measurement in nonprofits, this is also due to the evolving pressure on showing effectiveness which is experienced by nonprofit managers (Cairns, et al. 2005). Performance measures for an PBO could be both financial and non-financial measures. Such an integrated view would offer a comprehensive link between several units within a PBO (right from resource generation unit to program

management unit). Such a comprehensive framework is highly recommended (Epstein & McFarlan, 2011).

Financial performance in PBOs is measured in three dimensions, financial sustainability, efficiency and effectiveness (Lewis, 2009). They can also be measure by reasonable budget burn rates and good audit ratings. Non-financial (operational) performance measures are; optimization of all the required inputs e.g. human resources that make sure activities are carried out (Medina & Traintis, 2007). An output is the quantity of work performed and delivered services while outcomes makes it possible to see what degree the programme achieve its mission and goals e.g. measuring participant satisfaction or changing attitudes and behavior among participants.

According to Lewis (2009), program efficiency ratio is an indicator for effectiveness and efficiency of a PBO program. It is calculated as program service expenses (or money directly spent to further the nonprofit mission of the organization) divided by the PBOs total expenses. This measure of accountability is based on the assumption that accountable organizations devote the greater part of their donations to their promised missions (Charity Navigator, 2007). The 80/20 model allocates financial resources, derived from practices in the corporate world (80 % of resources for projects and 20% for administrations), seems to be the best model for setting a standard of organizations performance. The logic is that efficiency in using means that an organization or programme in more accountable to its donors. The other way is by budget variance analysis. This is the analysis of the actual expenditure against the budget. Any variance of over 10% is adverse and must be explained.

A PBO's performance can be measured by how well it achieves the goals it has set itself efficiently, effectively and in the most economical way possible. The principle functions of performance measurement are to ensure that organizations are held accountable for their performance and actions and to facilitate learning and improve performance (Sharma, 2012). Zimmermann and Stevens studied 149 non-profit organizations in South Carolina and their findings show that the requirement from external stakeholders was the most frequent motivator and reason for measuring performance. Second most frequent motivator was in order to increase accountability and effectiveness. Performance measurement was also motivated as a mean to get more funding and to improve services.

Sawhill and Williamson have noticed an emerging marketing trend which they suggest non-profit organizations to take advantage of. Just by presenting results from performance measurement to stakeholders will serve as an effective marketing tool (Sawhill & Williamson, 2001). The high growth of PBOs has in part been because of the failure of institutions and financial markets that are supposed to have been providing capital to small and medium sized enterprises to alleviate poverty. PBOs thus try to fill this gap by working with the poor and through the provision of basic services such as healthcare, sanitation, and education to the vulnerable.

1.1.3 Relationship Between Budgetary Controls and Performance

Budgeting motivates managers and employees by providing useful yardsticks for evaluating performance. Empirical studies by Fonjong,(2007) show a positive link between Budgetary controls and Performance and have a good motivational impact by involving managers in the budgeting process and by providing incentives to managers to

strive for and achieve the business's goals and objectives, however earlier on Brownell (1982) found out that the applications that include budgetary controls have no effect on performance directly.

Budgets provide useful information for superiors to evaluate the performance of managers and can be used to reward good results. Budgeting can assist in the communication between different levels of management. Putting plans and expectations in black and white in budgeted financial statements including definite numbers for forecasts and goals minimizes confusion and creates a kind of common language. Well-crafted budgets can definitely help the communication process, (Lucey, 1996).

This research sought to find out the nature of the relationship between budgetary control and performance of PBOs in Kisumu County.

1.1.4 Non-Governmental Organizations in Kenya

In Kenya PBOs mushroomed in the 1970s and 1980s, they mushroomed to: Intervene in emergencies resulting from drought, mitigate effects of famine and provide alternative development avenues owing to the direct bilateral and multilateral donors preferring to channel aid programs through international and a few local non state organizations. This was mainly caused by government bureaucracy and corrupt practices, privatization and trimming of the public sector in roles, functions; manpower and resources that followed at the instigation of the World Bank and international monetary fund accelerated the pace at which PBOs came up (Muleri, 2001).

By June 2013, the PBO Board had registered 7,127 organizations in Kenya to run as Non-Governmental organizations. In January 2013 parliament enacted The Public Benefits Organizations Act, 2013, a legal framework that is aimed at controlling the operations of the PBOs in terms of registration, regulation, funding, dispute resolution among other aspects. PBOs Co-ordination Act of 1990 created the PBO coordination Board which is in charge with the registration of local PBOs.

1.1.5 Non-Governmental Organizations in Kisumu County

Kisumu County has a surface area of 2,086 kilometers squared. The county has a population of 968,909 (Commission on Revenue Allocation, 2011) with about 47.8 percent of the County residents living below the poverty line of one dollar per day. The county neighbors Siaya to the west, Vihiga to the North, Nandi to the north east, Kericho County to the East and HomaBay to the south. Kisumu County has 1018 non-governmental organization (PBOs) and civil society organizations registered under various state departments including the Kenya PBO Coordination Board under the PBOs Coordination Act No. 19 of 1990. Others are registered under various government departments like the Social Services department and with the registrar of societies.

There was a gradual rise of the number of non-governmental organizations operating in kisumu since mid-1980s, this was as a result of the Nyanza region of Kenya continuously recording high prevalence of HIV Aids year after year as per the Kenya Aids Indicator Survey(KAIS), a large population in the county are un employed with 47.8 percent of the County residents living below the poverty line as per the Commission on Revenue Allocation report of 2011. Most of the PBOs set up their offices in Kisumu so as to

support the whole of Nyanza region. Today PBOs in Kisumu intervene in various development and health issues like provision of water, construction of classrooms for schools, advocacy and HIV/AIDs and its related health problems.

Budgeting in non-governmental organizations is used as a planning tool. Organizations use a budget as a guiding tool of its activities. According to Goldstein (2005), a budget is used by institutions in setting priorities by allocating scarce resources to those activities that are most important to the organization. According to (Horngren, 2003), budgets are expected to play central roles in management and control of PBO operations. Horngren points out that effectiveness of budgetary control is usually assessed by addressing various variances between the actual performance and budgeted performance.

Performance of the PBOs in Kisumu County has largely been measured by their ability to meet their internally set objectives in the most efficient way possible. Various studies carried out on the issue of performance measurement in PBOs indicate that the organizations measure their performance majorly to report to their stakeholders and for internal consumption within the organizations. The other strong driver for performance measurement and reporting is that it serves as a marketing tool to acquire more donors.

1.2 Research Problem

Budgetary control is as crucial as lack of it could affect the organization's performance. Budgets are known to have an important role to transmit the expectation of top management to lower levels, Bremser (1988). Organizations both for profit and nonprofit making have recognize the need to have a developed and comprehensive budgetary

control system in order to minimize budget variances, costs and maximize efficiency. PBOs are increasingly being held to account on their performance and use of funds and any additional funding is based on the organizations having capacity to manage the funds. Kaguara (2009) in her study on budget practices in private/mission hospitals in Nairobi and its Environment suggests that further studies should be done on relationship between budgeting and performance evaluation

In Kisumu county performance in Non-Governmental Organizations could be influenced by many factors which includes planning and coordination, clarification of authority and responsibility, effective communication both internal and external, control of resources available, both human and non- human and motivation of both the lower and middle management. In the last seven years, Kisumu County has witnessed an increase in the number of PBOs operating in the County; these organizations have had successful operations thus significantly transforming the local communities. However issues of budget management have been raised by the donors from year to year most common ones being over expenditure and high administrative costs. Therefore a solution to the identified gap needs to be found to enhance the efficiency and effectiveness of the organizations.

Weinsensfeld and Tyson (1990) found out that if accounting information and communication process functioned appropriately, then budgeting and variance analysis can be a positive tool. Locally, studies focusing on budgeting have been carried out mostly in the public sector. Kavoi (2011), Muthinji (2009), Ndiritu (2007), Obulemire (2006) all carried out studies on budget and budget controls and their effects in public

institutions. Gacheru (2012) in her study of the effects of the budgeting process on budget variance in PBOs in Kenya found out that budget preparation, budgetary control and budget implementation significantly influence budget variance. Murrison (2001) did a survey on budgeting practices among the major British Non-Governmental organizations in Kenya. He focused on their budgeting practices and the extent to which budgets are used as a management control tool. The result showed that 100 percent of the Relief projects over estimated their income. From the above studies, it is clear that scanty research has been done on the effect of budgetary control performance of non-governmental organizations. This study therefore seeks to fill in this research gap by providing answers to the question; what are the effects budgetary controls on performance of non-governmental organizations?

1.3 Objective of the Study

The objective of this study was to determine the Relationship between budgetary controls and performance of non-governmental organizations in Kisumu County.

1.4 Value of the Study

The results of this study may educate the management of non-governmental organizations on the importance of efficiency and effectiveness effect of budgetary controls among donors. The study will also help in planning and controlling in the implementation of projects and ensure efficient utilization of resources. Academicians and scholars will benefit from the study in that it will provide a useful basis upon which further studies on budgeting for non-governmental organizations could be conducted. The study will also add to the ever expanding literature on public Benefits Organization as

most of the studies which have been carried out on PBOs are about the budget making process and not budgetary control. PBOs in Kisumu County will also benefit from this study, since the study will inform on the best ways of effect of budgetary control and ensuring efficient utilization of resources and also what informs donors in their decisions to fund projects. PBO council will be able to advise its membership with the lessons from best practices in the sector. This can lead to improved performance of PBOs.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter gives a summary of historical background of the studies that have been done on budgeting highlighting the various theories connected to budgetary control, historical background of budgetary process and an over view of budgeting and budgetary control in Non-governmental organizations. The chapter will also highlight the benefits of budgeting and eventually conclude by identifying gaps and areas that need further study.

2.2 Theoretical Review

There are various theories that contribute to the concept of budgeting and performance. These include the Resource Dependency Theory, Stewardship Theory and The Agency Theory.

2.2.1 Resource Dependency Theory

The key for organizations survival is the ability to acquire and maintain resources (Pfeffer and Salancik, 1978). The resource dependence theory advances the view that organizations are not able to internally generate all the resources or functions required to maintain themselves, they must therefore develop relationships with elements in the outside environment to obtain the required resources and services. Internal systems that satisfy the demands of both internal and external resource providers must therefore be put in place. Consequently, resources give organizations power, which changes relationships by prioritizing shareholders' interests, working towards increasing their value and revising compensation practices to improve performance and share price. The

accessibility to resources enhances organizational functioning, performance and survival (Daily, Dalton & Canella, 2003).

The survival of PBOs depends on funding obtained from various agencies. Funding is guaranteed depending on the performance of a programme. If the performance of a programme is impressive, donors will be willing to extend or increase funding. One way of ensuring proper utilization of funds and accountability in a PBO is by enhancing frequent financial monitoring.

2.2.2 The Stewardship theory

According to Donaldson and Davis (1991), stewardship theory holds that managers are not only self-interested but are also capable of positive actions; they have a need for achievement and internal satisfaction, and will improve their performance in their role as stewards of organizational resources to meet these needs. According to stewardship theory, performance variations arise, not from inner motivational problems among executives, but from whether the structural situation in which the executive is located facilitates effective action by the executive. Donaldson and Davis (1991) present that stewardship theory focuses not on motivation of the CEO but rather facilitative, empowering structures.

In stewardship theory, the model of man is based on a steward whose behavior is ordered such that pro-organizational, collectivistic behaviors have higher utility than individualistic, self-serving behaviors. The stewardship theory defines situations in which managers are not motivated by individual goals. They are rather stewards, whose motives with the objectives of their principals are aligned. Stewardship theorists assume a strong

relationship between the success of the organization and the principal's satisfaction. A steward protects and maximizes shareholders' wealth through firm performance, because, by so doing, the steward's utility functions are maximized (Davis et al., 1997).

In the PBO sector stewardship theory provides that managers and implementers should diligently apply resources to achieve maximum returns to the stakeholders who are the donor or the recipients. It argues that managers are not only self-interested but are also capable of positive actions; they have a need for achievement and internal satisfaction, and will improve their performance in their role as stewards of organizational resources to meet these needs. To enhance the level of efficiency, checks and balances needs to be put in place.

2.2.3 The Agency Theory

Jensen and Meckling (1976) define an agency relationship as a contract under which one or more persons (the principal(s)) engage another person (the agent) to perform some service on their behalf which involves delegating some decision-making authority to the agent. If both parties are utility maximizers (opportunistic behavior); a good reason exists to believe that the agent will not always act in the best interests of the principal. Divergence exists between the agent's decisions and those decisions which would maximize the welfare of the principal. Within this principal-agent relationship, owners have an interest in maximizing the value of their shares, whereas managers are more interested in 'private consumption of firm resources' and firm growth.

The 'model underlying the Agency Theory is that of a rational actor who seeks to maximize his or her utility with the least possible expenditure. Both agents and principals

seek to receive as much possible utility with the least possible expenditure. Thus, given the choice between two alternatives, the rational agent or principal will choose the option that increases his or her individual utility (Davis, Schoorman & Donaldson, 1997).

In not-for-profit organizations, donors and other stake holders should incur agency costs e.g. monitoring to control activities of managers and track implementation of various activity line items. Agency contracts provide for performance related financial rewards to encourage managers to act in the interests of shareholders. Donors and the government also incur costs to ensure good governance and performance

2.3 Determinants of Performance Management

Continuous performance is the objective of any organization because only through performance, organizations are able to grow and progress. Performance of an organization is determined by various factors that together contribute to how well an organization performs. These factors include, the organization structure, which determines the speed of decision making, the quality of work force which determines efficiency, the funding level which determines the output, type management, this determines how staff will be allowed to innovate among other initiatives.

2.4 Empirical Review

This review of existing literature attempts to examine the published material available in the public domain on the issue of budgeting and its role in performance management of organizations, departments and employees. Budgeting emerged as an important accounting and management control tool in the early years of the 20th century and forms a staple item of all text books on financial management and management

accounting. Budgets are used to achieve cost effectiveness, in planning, for operations, coordinating activities, motivating performance, communicating plans and operations and in evaluation and audits. Simiyu tackled problems with budgeting in manufacturing firms (Simiyu, 1977). Budgeting systems are universal and have been considered an essential tool for financial monitoring. Budgetary practices being a standard for performance are used to evaluate managerial performance (Srinivasan, 1987)

The adoption good budgetary control practices tends to be crucial for the success of both traditional and PBOs in today's dynamic and outcome oriented environment .Researchers in PBO management suggest that sponsors, donors, members, regulators and other stakeholders are demanding more accountability and better performance from management (White, 1989). Similarly, Douglas (1994) used a case study approach and found that budgeting practices place high importance on budget-to-actual comparison for performance evaluation purposes both at corporate and subsidiary levels. According to Abernethy and Brownell (1999) these systems are meant to organize and encourage the performance of organizations

Anderson (1993) also supported this view stating that in most US companies, the development of Budget is still used as the main performance measurement system. Budgetary standards and targets tend to be the criteria upon which the performance of organizations is evaluated. These standards and targets provide a basis for identifying and appraising selected aspects of organizational performance, since they are the criteria used to guide and motivate it. Carolyn, et al. (2007) examined the association between effects of budgetary control on performance, using a sample of large U.S. cities over 2003-04

timeframe. Within this context they examined whether the tightness of budgetary controls or effective level of budgetary control within the cities as measured by budget variance contribute to performance as measured by bond rating and found that effective level of budgetary control is significantly and positively related to bond rating. Silva & Jayamaha (2012) sought to evaluate budgetary process of apparel industry in Sri Lanka and see whether budgetary process has significant impact on performance of such industry. Based on the data extracted from apparel industry's financial statements, correlation coefficients and regression analysis showed that budgetary process have significant associations with the organizational performance of apparel industry in Sri Lanka. This confirms that efficient apparel companies maintain sound budgetary process which contributes to higher levels of organizational performance hence a positive relationship.

Inadequate budgetary controls lead to objectives not being clear and performance not being achieved or satisfactory. This reduces output because employees do not know or are doubtful about what to do, when and how to do it. Therefore, as the budgetary control increases, budgetary participation of subordinates is also expected to increase. Muleri (2001) in his survey of budgeting practices among the major British Non-Governmental development organizations have adopted budgetary approaches and philosophies that are modern and can act to reduce financial mismanagement. Peter (2001) carried out a research on budgetary controls in non-governmental organizations in Kenya. The objective of the research was to study how accurately budget anticipates the level and direction of actual results and what factors influence budget accuracy. The population of the study was all relief and development projects spread all over Kenya. The conclusion

of the study was that budget control practices in PBOs vary significantly between relief projects and development projects.

A survey conducted by Ambetsa (2004) of budgeting practices by commercial airlines, operating at Wilson airport, Nairobi indicated that the challenges faced were budget evaluation deficiencies, lack of full participation of all individuals in preparation of the budget together with lack of top management support. All enterprises make plans using budget, some in a systematic and formal way, while others in an informal manner, but still have some form of budgeting and budgetary control practice. Therefore the issue is not whether to prepare a budget, but rather how to do it effectively. Obulemire (2006) conducted a survey of budgetary practices secondary schools where he found out that budget committee and interdepartmental discussions groups were the most used budgetary tools with less emphasis on brainstorming also found that failure to consider motivation of employees and participation by all staff in the budgetary process was a challenge

Gachithi (2010) also focused on the factors that influence budget implementation in public institutions in Kenya, a case of University of Nairobi. He concluded that there is inefficiency in the budget preparation procedures and that the budget process faces a lot of challenges. He concluded that budgets are strong planning tool for the future. Gacheru (2012) in her study on the effect of budgetary process on budget variances in PBOs in Kenya sought to determine the relationship between budgeting process and budget variances in Kenyan PBOs. Based on the population of 6,075 she used a sample of 20 to collect data and descriptive data analysis and concluded that budget preparation, control

and implementation significantly influence budget variance.. Ade (2012) sought to accomplish the following objectives; determine the salient features of budgetary controls in state corporations, establish the human factors within budgetary controls, establish the process of budgetary control in public organizations, and determine the challenges affecting budgetary control. The Relationship between budgetary control and financial performance was undertaken through carrying out a correlation analysis of the dependent and independent variables. Findings indicated that a positive relationship existed between budgetary control and financial performance of state corporations. This research evaluates PBOs budgetary controls in Kenya in relation to the set objectives and goals in a bid to measure whether the resources have been spent effectively and efficiently hence assess its effects on their performance in terms of service delivery, infrastructure development and proper spending. Budget modification need to be allowed for circumstances change. Budget Modifications are used to revise the original budget established at the beginning of the fiscal year. During effect of budgetary control, it may become necessary to modify a PBO budget or reallocate expenditures. These changes occur because of unanticipated expenditures, reprioritization of alternatives, funding emergencies or unanticipated changes in realized revenues. A budget modification may be warranted when an adjustment to the approved budget is needed to ensure a successful outcome for the program. Weinsfeld and Tyson (1990) did a study of 68 US managers in two companies. He found out that if accounting information and communication process functioned appropriately, then budgeting and variance analysis can be a positive tool. A total of 90 percent of the respondents agreed that variances will be a good way to measure their performance. They all agreed that variance reports influenced them

positively to improve their performance and increase their bonuses. Muthinji (2009) conducted a study on the challenges of effect of budgetary control at the commission for higher education. The conclusion was that a budget is important for communication and there will be an increasing trend towards decentralization.

2.5 Budgetary controls

Budgetary control is the system of controlling costs through budgets. It involves comparison of actual performance with the budgeted with the view of ascertaining whether what was planned agrees with actual performance. If deviations occur reasons for the difference are ascertained and recommendation of remedial action to match actual performance with plans is done. The basic objectives of budgetary control are planning, coordination and control. It's difficult to discuss one without mentioning the other (Arora, 1995). The various aspects of budgetary controls are as Participative Budgeting, planning and variance analysis.

A number of researchers have worked on the issue of participative budgeting and have concluded that participative budgeting is used more frequently when higher level managers feel the need to tap the knowledge of the lower level staff and also when the remuneration is linked to the budget performance. Mufti & Lyne (1997) found that the degree of participation in budgeting increases acceptance and motivation as well as it makes the budgeted to a greater extent feel responsible for the organizational goals.

Budgeting involves planning which can be strategic, medium or short term planning. It involves selecting objectives and action to achieve them. Through planning the

organization is able to assess where it is supposed to be in terms of objectives and goals. This comes from the information system (Lewis, 1996)

Variance analysis is comparing actual results with planned results and reporting on the variations. This helps the management to keep expenditure within the planned limits (Alesina and Perotti, 1996).

2.6 Performance Measurement

Performance measurement is the process of quantifying the efficiency and effectiveness of an action, Horvath & Seither (2009). Performance measures for an PBO could be both financial and Non-financial measures. Such an integrated view in a PBO (right from resource generation unit to program management unit) is highly recommended (Epstein & McFarlan, 2011).

Financial performance measurements using the financial statements are vital in evaluating the quantitative parameters in the PBOs (Lewis, 2009). The aim of the measurement is to establish; financial sustainability, efficiency and effectiveness. The most common measurement a PBO can use is Ratio analysis (Lewis, 2009). The applicable ratios are Donor dependency ratio, Survival ratio, Corpus fund to earmarked funds ratio, current ratio, income utilization ratio and resource generation ratio.

Non-financial measurements on the other hand have varied objectives. Key among them are aligning the resources, processes, and financials to meet the organizations objectives, transforming set goals to goals achieved, taking a proactive measure to determine what has to be achieved from time to time, and striving for sustainable and efficient PBOs. It is

important that an organization have a good performance index, and that it accomplishes its intended objectives. Performance was a critical component of this research. Performance was one of the main tools that were used to establish the level of accountability of PBOs operating in Kisumu County.

2.7 Summary of Literature Review

This chapter has reviewed scholars' previous studies done in the area of budgetary control and effect on performance of organizations and explained the concepts of budgetary control and Performance. Most of the research on budgeting in Kenya has been done in the corporate and the public sector. Very little research has been done on Non-Governmental organizations. In view of the current challenge of donor funding amongst PBOs in Kenya, it is critical to explore and find the relationship between budgetary controls and performance of PBOs. The researcher will therefore undertake the study to investigate the effect of budgetary control on the performance of Non-Governmental Organizations focusing specifically on Kisumu County. The focus on budgetary controls is particularly important because a number of organizations have witnessed a drop in funding levels from donors which have put in to perspective the need to operate with lean budget. Different organizations also have different budget control measures and the effectiveness of the measures vary in impact. There is also the aspect of the misconception amongst the stakeholders about financial management of PBOs given the absence of a requirement to publish their accounts. Some target beneficiaries have very high expectations contrary to the available funding.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter outlines the methodology that was used in gathering data, analyzing data and reporting results. The research methodology refers to the research design that was used, population, Sample, data collection as well as data analysis. The research design addressed the purpose of the research which was an evaluation of effect of budgetary control in non-governmental organizations; data was collected through a questionnaire from the management of the sampled PBOs in Kisumu County. This chapter specifies the research design, data collection methods and data analysis.

3.2 Research Design

According to Kerlinger (1986) “research design is the plan and structure of investigation so conceived so as to obtain answers to research questions. This study adopted a causal design since the research design emphasized on determining the cause and effect relationship between the variables. The causal design was chosen majorly because it enabled the researcher to establish the cause and effect relationship between the budgetary controls adopted by the PBOs in Kisumu County and how they affected the performance of those organizations.

Causal effect occurs when variation in one phenomenon, an independent variable, leads to or results, on average, in variation in another phenomenon, the dependent variable. The researcher chose this design as the question was to establish the relationship between budgetary controls and performance. This was a longitudinal research as it sought to establish the causal relationship at a given time.

3.3 Population of the Study

The target population for this study was all PBOs located in Kisumu County-Kenya. The county has population of 731 PBOs as per the PBO coordination board (Sep 2013). These PBOs were chosen due to their geographical location which is Kisumu County and are nonprofit and donor funded. The research employed stratified random sampling in selecting the respondents.

The population was segregated into several mutually exclusive subpopulations or strata herein referred to as business categories. This was based of the different areas of intervention

3.4 Sample Design

The sample size is an important feature of any empirical study in which the goal is to make inferences about a population from a sample. In practice, the sample size used in a study is determined based on the expense of data collection, and the need to have sufficient statistical power. Yamane (1967), with a population of 731 at 95% confidence level, the formula used is

$n = \frac{N}{1 + N(e)^2}$ where n =desired sample size, N =Population Size

E = The level of statistical significance test (At 95% confidence level)

$n = \frac{732}{[1 + 731(0.05)^2]}$ = approximately 259, adding 10% provision for non responses

$n = 284$

The research employed stratified random sampling in selecting respondents. The population was segregated into several mutually exclusive sub populations or strata based on the size of their budget.

3.5 Data Collection and Data Collection Instruments

The study used both primary and secondary data. Primary data was captured using structured questionnaires. Self-administered drop and pick questionnaires were distributed among the target organizations as well as monkey surveys online questionnaire. Primary data was collected using questionnaires and face to face interview, the questionnaire was divided in to 4 parts. The Target respondents were the Finance officers, Accountants and the managers of the target organizations. The secondary data was collected through the review of the financial and programmatic records of the organizations like budgets and financial records for previous periods as well as the budget policies. This served to supplement the data received from primary sources

3.6 Data Analysis

Regression and correlation analysis were the major statistical methods employed in the data analysis. This is because almost all variables in the study were measured by interval/ratio scales and secondly, regression was a better way to test the correlation between two or more variables than other statistical methods.

The following Regression Model was used to analyze the effects of budgetary controls on Performance of PBOs:

$$Y = a + b_1x_1 + b_2x_2 + b_3x_3 + e$$

Y- Performance of PBOs; (Dependent Variable)

x_1 - Planning (Independent Variable);

x_2 -Variance Analysis(Independent Variable) ;

x_3 -Participative Budgeting(Independent Variable)

e=Error Term

b_1, b_2, b_3 = Regression Coefficients

Planning (x_1) was measured as the percentage of the respondents who agreed .Variance Analysis (x_2) was measured by the number of organizations which carried out the variance analysis as a control tool.

Participative Budgeting (x_3) was measured by the number of respondents who agreed that their organization carries out participative budgeting

Y= programme performance indicator. The indicator used is the program efficiency ratio which was calculated as program service budget (money budgeted to directly go to the target beneficiaries of the organization) divided by the total budget. The recommended ratio is 8:2 (Charity Navitor, 2007). A best performing PBO is one that used 80% of its revenue/budget to implement beneficiaries-targeted activities. The statistical test of significance is 95%.

Questionnaires were structured to measure these independent variables such as Planning, Variance Analysis, Participative Budgeting and performance of PBOs as the dependent variable was measured using both financial and non-financial performance measures as indicated in the questionnaire. Information on budgetary control Measures was extracted from the organizations published annual reports. Financial Efficiency was measured as follows: Administrative Efficiency= Administrative Expenses/Total Expenses*100
Program Efficiency=Program Expenses/Total Expenses *100

The study also used secondary data (financial records) to find out the difference between budgeted figure and the actual accomplishment for the last four financial years.

CHAPTER FOUR: DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction

This chapter presents the analysis and discussion of the data collected in the field. The objective of this study was to establish if there is a relationship between Budgetary Controls and the performance of PBOs in Kisumu County. Data generated from this research was both qualitative and quantitative. Quantitative data was presented in form of frequencies, means, modes and percentages. Qualitative data is presented by way of narration. Presentation was done using tables, charts and graphs for easy yet effective communication.

4.2 Response Rate

Table 4.1: Response Rate

Category	Frequency	Percentage
Returned questionnaires	277	97.53
Not returned questionnaires	7	2.47
Total	284	100

Source: Field Data (2014)

Table 4.1 illustrates the response rate of the respondents who participated in the survey. The researcher distributed 284 self-administered questionnaires to the sampled respondents from the PBOs selected within Kisumu County. The respondents were from

the various departments of which the study is based on. 277 questionnaires were returned and only 7 were not returned. In addition, 1 questionnaire was incomplete and was left out. Thus 276 questionnaires were subject to analysis. This represents a 97.18% response rate which the researcher found sufficient to proceed with data analysis. The high response rate is attributed to the fact that the researcher personally administered the questionnaires to the respondents and also the fact that he works within Kisumu County.

4.3 Background Information of PBOs and the Respondents

In this section the researcher sought to establish the background information of the various PBOs within Kisumu and also of the employees picked as respondents. Their responses are highlighted in the Table below.

4.3.1 Years of Employment in Institution

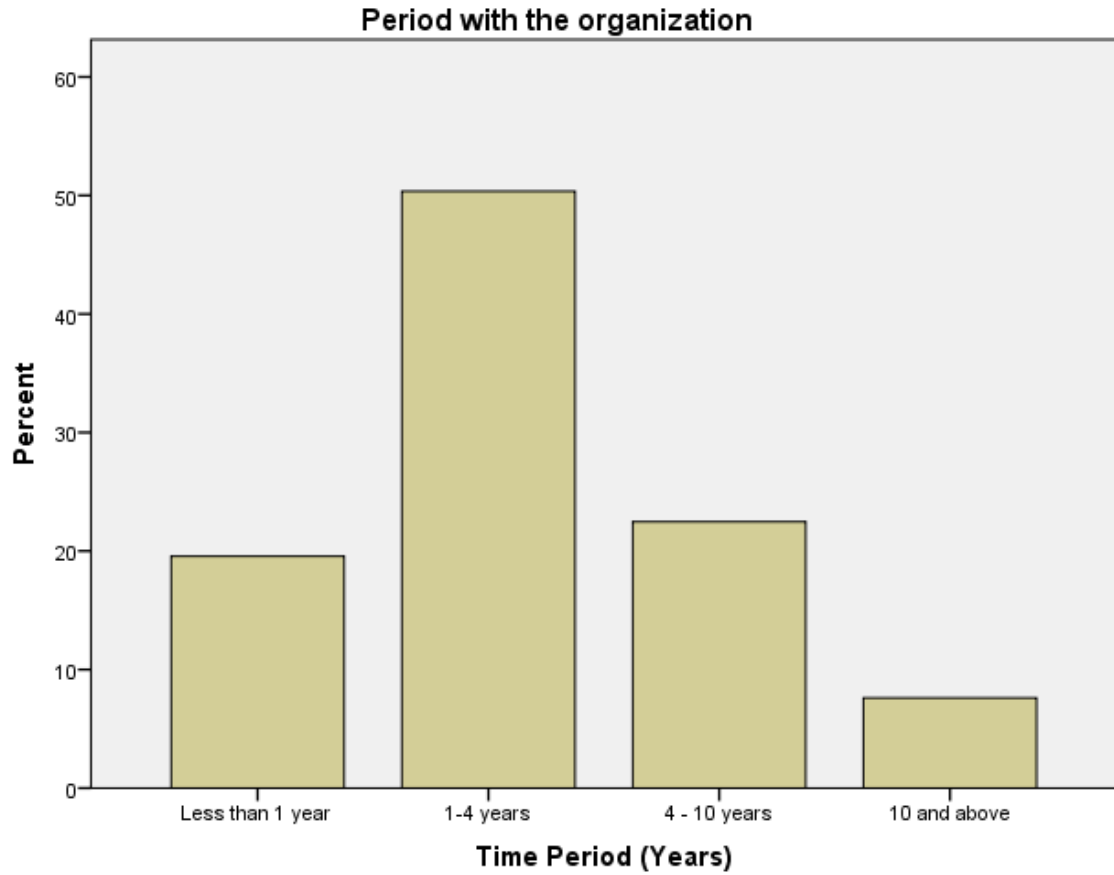
In this section the researcher focused on the number of years worked by the respondents in various public benefit organizations in Kisumu. Their responses are shown in table 4.2 below.

Table 4.2: Number of Years in Employment (n=276)

Category	Frequency	
Percentage		
Number of years in the Organization		
Less than 1 year	54	19.6
1 – 4 Years	139	50.4
4 – 10 years	62	22.5
Above 10 years	21	7.6
Total	276	100

Source: Field Data (2014)

From the Table 4.2 above, over half (50.4%) of the respondents have worked for 1 to 4 years, 19.6% of the respondents have worked for less than 1 year and 22.5% of the respondents have worked for 4 to 10 years at the time of study. Only 7.6% of the respondents have worked for more than 10 years at the time the study was done. This is indicated in the diagram below.



4.3.2 Years Covered by Organizational Budget

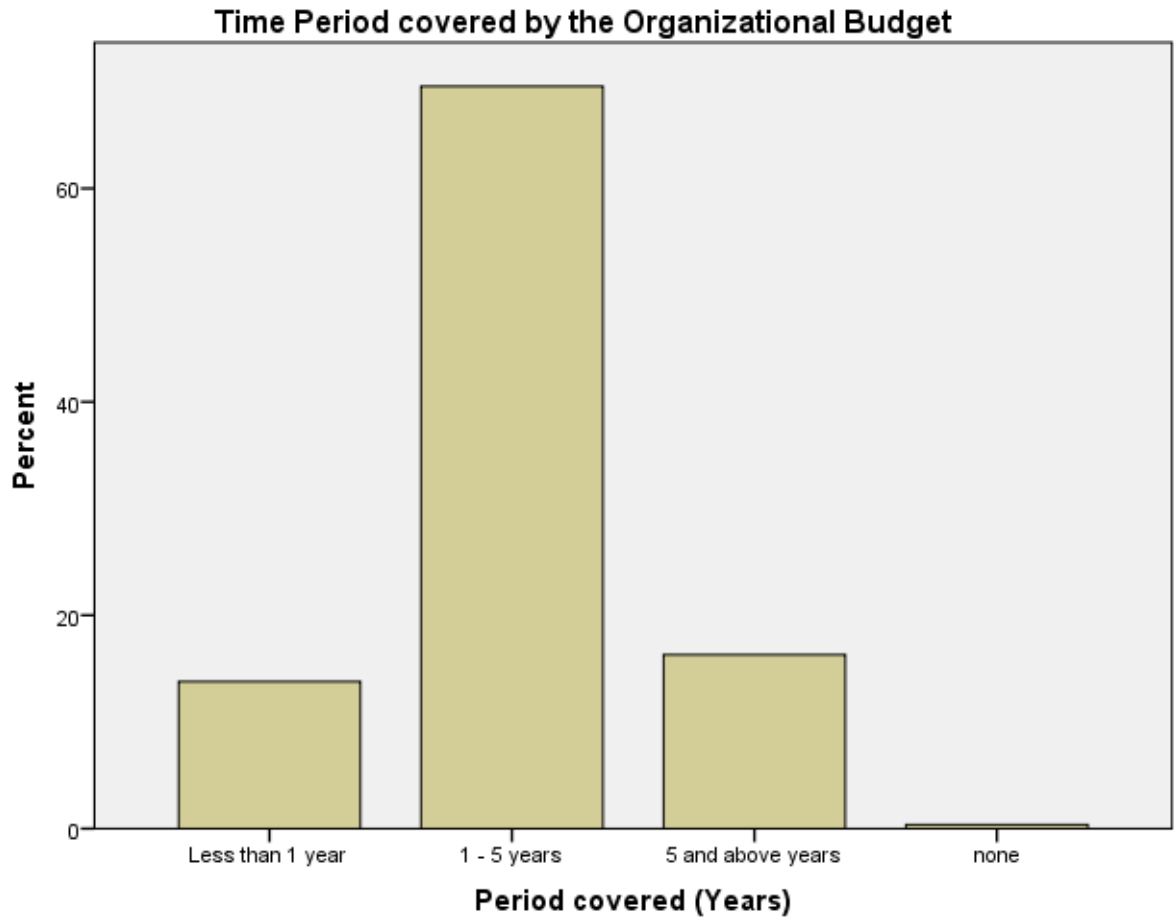
In this section the researcher focused on the period covered by the overall budget of various public benefit organizations in Kisumu. Their responses are shown in table 4.3 below.

Table 4.3: Number of Years covered (n=276)

Category	Frequency	Percentage
Number of years in Organization		
Less than 1 Year	38	13.8
1 to 5 years	192	69.6
5 and Above years	45	16.3
None	1	0.3

Source: Field Data (2014)

From the Table 4.3 above, 13.8% of the public benefit organizations budget only covered less than one year, 69.6% of the PBOs' budget covered 1 to 5 years' time period and 16.3% of the PBOs budget covered more than 5 years. Only one PBO did not have a time frame of budget coverage. This may be as a result of the respondent's failure to be aware of the budgetary time frame. This is indicated in the diagram below.



4.3.3 Budget Reviews

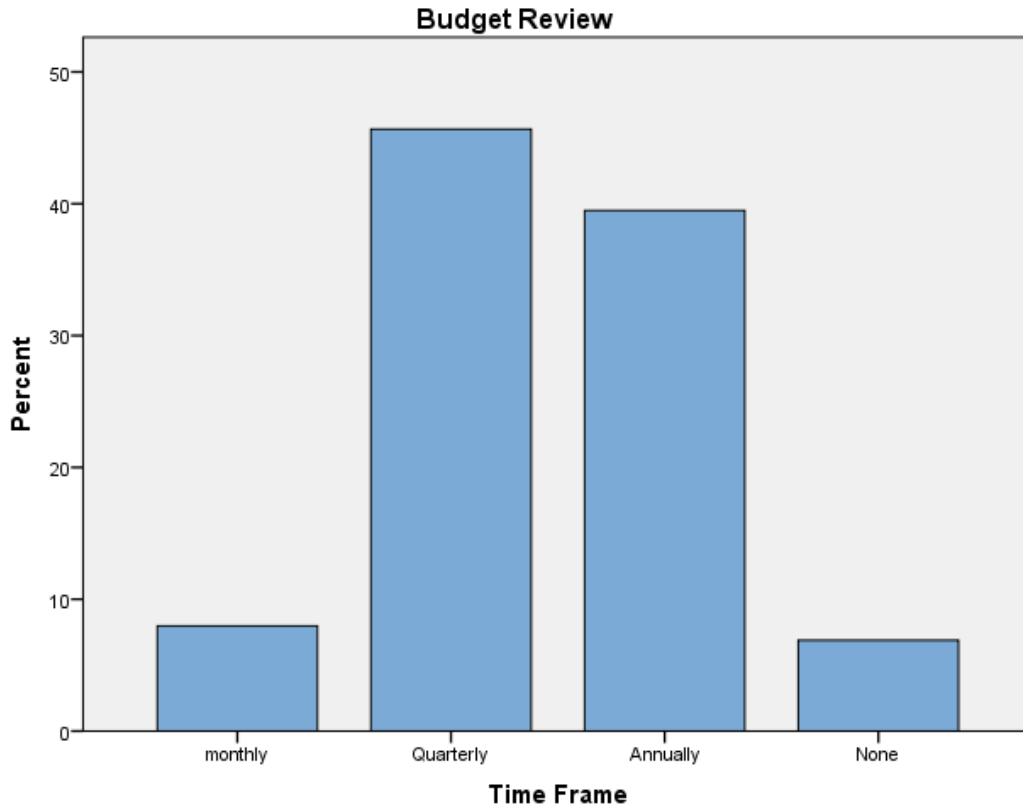
In this section the researcher focused on how often the budget is reviewed within the various public benefit organizations in Kisumu. Their response is shown in table 4.4 below.

Table 4.4: Budget Reviews (n=276)

Category	Frequency	Percentage
Time Frame		
Monthly	22	8.0
Quarterly	126	45.6
Annually	109	39.5
None	19	6.9
Total	276	100

Source: Field Data (2014)

From the Table 4.4 above, 8.0% of the PBOs reviewed their budgets on monthly basis, 45.6% of them review budgets on quarterly basis while 39.5% of the PBOs review their budget annually. Table also indicates that 6.9% of the PBOs neither reviewed their budgets on monthly, Quarterly nor annually basis. This is attributed to the quality of the management in terms of education levels and donor requirements. This can be seen from the diagram below.



4.3.4 Approximate Annual Budget Revenue

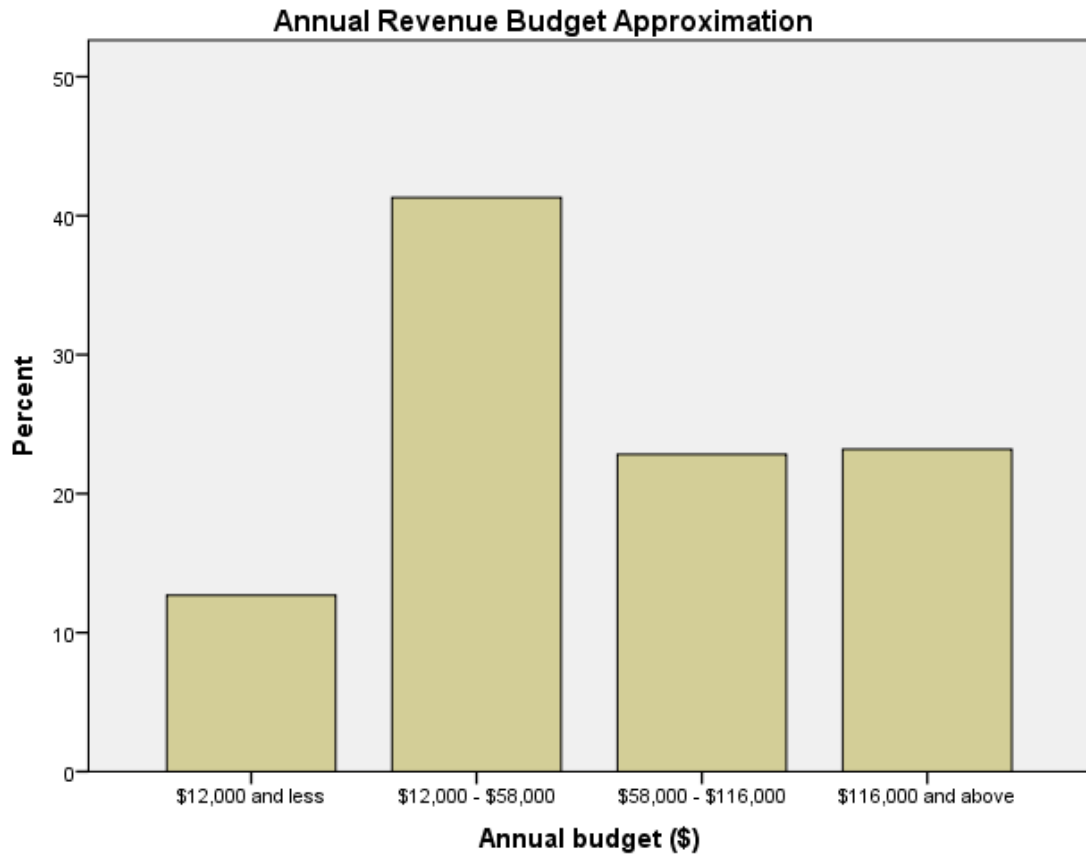
In this section the researcher focused on the estimated annual budget revenue in various public benefit organizations in Kisumu. Their response is shown in Table 4.5 below.

Table 4.5: Estimated annual budget revenue (n=276)

Category	Frequency	Percentage
Approximate		
\$12,000 and Less	35	12.7
\$12,000 to \$58,000	114	41.3
\$58,000 to \$116,000	63	22.8
\$116,000 and Above	64	23.2
Total	276	100

Source: Field Data (2014)

From the Table 4.5, 12.7% of the PBOs in Kisumu County have an annual budget of less than \$12,000, majority of the PBOs 41.3% operate with an annual budget of between \$12,000 to \$58,000. Table also indicates that 22.8% of the PBOs had annual budget of between \$58,000 to \$116,000 and 23.2% of the PBOs had annual budget revenue which was above \$116,000. This is as a result of majority of the PBOs in the area are large and have more than one project or have similar projects running in other Counties in the Kenya. This can be seen from the diagram below.



4.3.1 Other Operations in Kenya

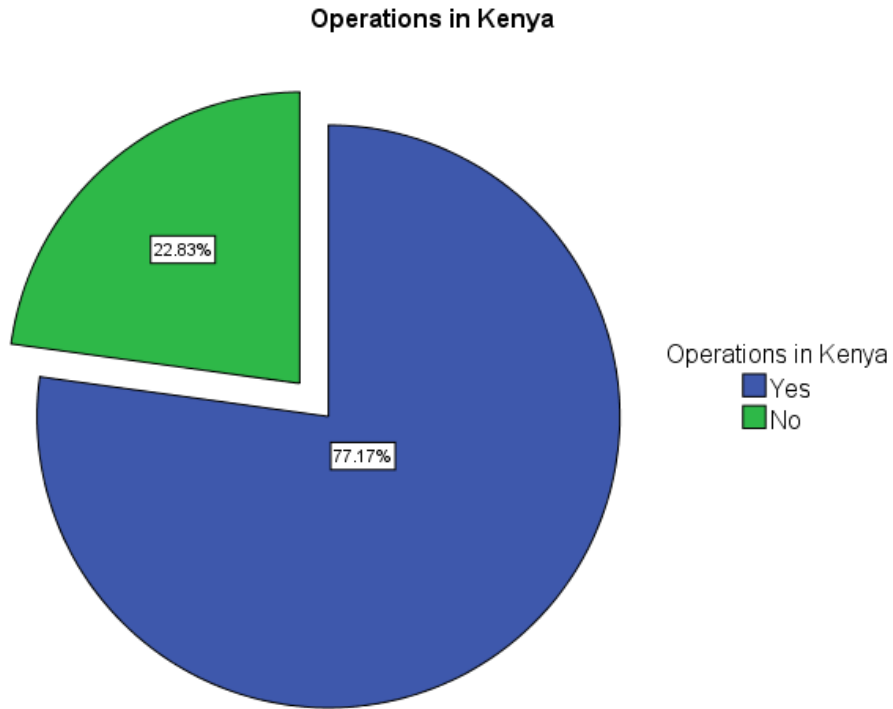
In this section the researcher focused on whether the various public benefit organizations in Kisumu are operating in other parts of Kenya. The responses are highlighted in the Table 4.6.

Table 4.6: Operations in Kenya (n=276)

Category	Frequency	
Percentage		
Response		
Yes	213	77.17
No	63	22.83
Total	276	100

Source: Field Data (2014)

From the Table above, 77.17% of the PBOs working within Kisumu County are in operation in other areas of Kenya while 22.83% of the PBOs are only based in Kisumu County. This indicated that majority of public benefit organizations within Kisumu are projects or branches of large organizations based in Nairobi or are head offices of organizations operating in different regions of Kenya. This can be seen from the diagram below.



4.4 Analysis of Budgetary Controls and Performance of Public Benefit Organizations

It is important to state the criteria for analysis of the data that was used to answer these investigative questions. For each best practice identified the respondents were required to indicate how each of the named budgetary control influenced performance in public benefit Organizations. The scores for each question for all respondents were analyzed for the mean and standard deviation. Table 4.5 below shows the criterion used to interpret the mean scores.

Table 4.7 Interpretation of the Mean Scores

Mean Score	Interpretation 1	Interpretation 2
Below 1.40	Yes	Agree
Between 1.40 and 1.60	Average	Somehow agree
Above 1.60	No	Disagree

Source: Field Data (2014)

The Table 4.7 above shows that if the score of the mean for a particular factor was below 1.40 in the first instance, a mean of between 1.40 and 1.60 indicates an average response while a mean score of above 1.60 indicates a disagreement on that particular factor.

4.4.1 Planning as Budgetary Control Measure

The research sought to establish the relationship between planning as a budgetary control and performance of PBO's. This has been broken down to subsections that will help in analysis. Their responses are shown in table 4.8.

Table 4.8: Budgetary Planning

	Min	Max	Mean	Std. Deviation
Planning				

Our Organization has Long term and short term Budget Plans	1	2	1.21	0.408
Our budget have clear goals and objectives	1	2	1.09	0.282
Our budgets cover all aspects of our Mission	1	2	1.10	0.298
Whether Budgeting, outcome goals/objectives are linked to programmes	1	2	1.05	0.220
We set priorities for the coming year at budget/work plan meetings	1	2	1.11	0.312
All departments/programs prepare budget plans prior to the budget year	1	2	1.20	0.403

Table 4.8 above, shows the mean response score for each and every question planning. Respondents strongly agreed to all questions pertaining to planning as a budgetary control measure. All responses had a mean score of below 1.40 thus agreeing to all the factors on planning.

4.4.2 Budget Monitoring and Control as a Budgetary Control

The research sought to establish the relationship between budget monitoring and control as a budgetary control measure and performance of PBO's. This has been broken down to subsections that will help in analysis. Their responses are shown in table 4.9.

Table 4.9: Budget monitoring and control

	Min	Max	Mean	Std. Deviation
Monitoring and Control				
Managers hold budget review meetings regularly to review performance	1	1	1.16	.363
We have budget approval levels to check on spending	1	2	1.09	.282
Controls and approvals is done by the heads of departments	1	2	1.08	.266
The cost of activities are always reviewed by the executive committee	1	2	1.07	.254
Budget performance evaluation reports are prepared regularly	1	2	1.15	.360
Budget deviations are reported to management	1	2	1.17	.377
The deviations from the budget targets are frequently reported	1	2	1.18	.389
Managers always take timely corrective actions when adverse variances are reported	1	2	1.19	.395
There is a regular follow up on the budget plans by the budget committee/department heads	1	2	1.07	.260

Table 4.9 above shows response on the various factors pertaining Monitoring and control as budgetary control measure. All the responses had a mean score of below 1.40. This implies that majority of the respondents agreed to all named factors monitoring and control.

4.4.3 Participative Budgeting as a Budgetary Control

The research sought to establish the relationship between participative budgeting as a budgetary control measure and performance of PBO's. This has been broken down to sub-sections that will help in analysis. Their responses are shown in table 4.10.

Table 4.10: Participative budgeting

	Min	Max	Mean	Std. Deviation
Participative Budgeting				
I'm involved in the budget setting process	1	2	1.16	.370
We are sensitized on the budget control process	1	2	1.15	.356
All the stakeholders to the budget are involved	1	2	1.23	.423
All departments are always involved in the budgeting process	1	2	1.17	.380
Approved budgets are shared with all departments	1	2	1.05	.227

Leadership and support is given to all the subordinates throughout the budget by managers	1	2	1.11	.312
Each department prepares a budget prior to the overall budget	1	2	1.22	.413

From Table 4.10, Respondents agreed to all the factors pertaining to participative budgeting as a budgetary control measure that affects performance of an organization. Almost all the respondents indicated that Approved budgets are shared with all departments in their organizations having a mean score of 1.05.

4.4.4 Performance of PBO's

The research sought to establish the performance of PBO's. The respondents were required to respond to each of the named performance measure factors that would in turn give the general performance of public benefit Organizations. The scores for each question for all respondents were analyzed for the mean and standard deviation. Table 4.11 below shows the criterion used to interpret the mean scores.

Table 4.11: Interpretation of the mean score

Mean Score	Interpretation 1	Interpretation 2
Below 1.60	0-3%	somehow good
Between 1.60 and 2.50	3-10%	good
Between 2.50 and 3.50	10-20%	Very Good

Above 3.50	Above 20%	excellent
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Administrative Efficiency

Below 1.40	0-30%	Very efficient
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Between 1.40 and 2.40	30%	efficient
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Above 2.40	Above 30%	less efficient
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Program Efficiency

Below 1.40	Above 70%	very efficient
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Between 1.40 and 2.40	70%	efficient
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Above 2.40	0-70%	Less efficient
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The Table below has the response from the respondents and has been broken down to subsections that will help in analysis. Their responses are shown in Table 4.12.

Table 4.12: Performance of PBO's

	Min	Max	Mean	Std. Deviation
Performance				
The revenue growth of the organization in the past one year lies between	1	4	2.31	.936
The number of community participation increased within the past year by	1	4	1.91	.702
Dollars spent on providing aid and support in the past on year increased by	1	4	2.27	.849
Number of Beneficiaries reporting an improvement in their quality of life in the past one year lies between	1	4	1.60	.650
Number of new donors involved in terms of percentage during the past on year	1	4	1.96	.910
Financial Efficiency				
Administrative Efficiency as a percentage of Administrative expense divided by total expenses in the past year	1	3	1.56	.818

Program Efficiency as a percentage of Program expenses divided	1	3	1.65	.833
by total expenses in the past year				

Source: Field Data (2014)

From Table 4.12 above, different factors used to assess the performance of an organization were put across the respondent. The table indicates that revenue growth, community participation, donor spending on aid provision, number of respondents reporting improvement and new donor involvement in PBOs within Kisumu grew with an average of 3-10% for the past one year. This can be reflected by a mean score of between 1.60 and 2.50.

In addition, the research sought to find out financial efficiency within the PBOs in Kisumu County. The table indicated that both Administrative and Program were efficient through the respective percentage expenses divided by total expenses in the past year. For Administrative it was 30% and 70% for Programs. This was highlighted by the mean response of between 1.40 and 2.40 for both factors.

4.5 Correlation Analysis

The research carried out correlation analysis between the independent and dependent variables and between independent and independent variables. This test for multicollinearity is meant to further boost the overall strength of the relationship between the independent and the dependent variables. The test between the independent variables is also meant to inform the managers of the PBOs on how the different strategies of

budget control affect each other and how the managers can achieve synergistic results by employing the perfect combination. The results are shown in the correlation table below.

Table 4:13 Correlations

	planning	Monitoring and control	Participative budgeting	Performance
planning				
Pearson Correlation	1	.037	.258**	.595**
Sig. (2-tailed)		.541	.000	.000
Sum of Squares and Cross-products	116.159	6.014	37.775	45.042
Covariance	.422	.022	.137	.164
N	276	276	276	276
Monitoring and control				
Pearson Correlation	.037	1	-.178**	.602**
Sig. (2-tailed)	.541		.003	.000

	Sum of Squares and Cross-	6.014	227.638	-36.384	63.796
	products				
	Covariance	.022	.828	-.132	.232
	N	276	276	276	276
	Pearson Correlation	.258**	-.178**	1	.354**
	Sig. (2-tailed)	.000	.003		.000
Participative budgeting	Sum of Squares and Cross-	37.775	-36.384	183.953	33.732
	products				
	Covariance	.137	-.132	.669	.123
	N	276	276	276	276
	Pearson Correlation	.595**	.602**	.354**	1
	Sig. (2-tailed)	.000	.000	.000	
Performance					

Sum of Squares and Cross-products	45.042	63.796	33.732	49.403
Covariance	.164	.232	.123	.180
N	276	276	276	276

** . Correlation is significant at the 0.05 level (2-tailed).

From Table 4.13 above, Correlation analysis between Planning and Monitoring and control of budgets in PBOs. ($r = 0.037$, $p = 0.541$) revealed a very weak positive correlation significant at $p < 0.05$. This implies that Planning has a very weak positive association with Monitoring and control of budget. However there is strong Correlation between all the budgetary control factors and Performance of PBOs. Correlation analysis between Planning and performance of PBOs is ($r = 0.595$, $p = 0.000$), between Monitoring and control and performance of PBOs is ($r = 0.602$, $p = 0.000$) and between participative budgeting and performance of PBOs is ($r = 0.354$, $p = 0.000$). This implies that there exists a strong positive relationship between budgetary control factors and performance of PBOs.

Correlation analysis between Participative budgeting and Monitoring and control of budgets in PBOs. ($r = -0.178$, $p = 0.003$) revealed a weak negative correlation significant at $p < 0.05$. This implies that Participative budgeting and Monitoring and control of budget no relationship between them.

4.6 Regression Analysis

A multivariate regression model was applied to determine the relevant importance of each of the three variables with respect to performance of the public benefit organizations in Kisumu. A regression equation for predicting Y was expressed as follows

$$y = \alpha + \beta_1x_1 + \beta_2x_2 + \beta_3x_3 + e$$

Where:

$y =$ *Performance of PBO's*

$\beta_0 =$ *Constant term*

β_1, β_2 and $\beta_3 =$ *Regression coefficients*

$x_1 =$ Planning.

$x_2 =$ Variance Analysis.

$x_3 =$ Participative Budgeting

$e =$ Error Term.

4.6.1 Regression Model Summary

**Table 4.14: Regression model Summary
Model Summary^b**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.892 a	.796	.794	.1923947	.796	354.214	3	272	.000

a. Predictors: (Constant), participative budgeting, monitoring and control, planning

b. Dependent Variable: Performance

Source: Field Data (2014)

The results in table 4.14 indicates that the coefficient of regression $R=0.892$ shows a very strong strength of relationships between independent variables and the dependent variable. The coefficient of determination, $R^2=0.796$ shows the predictive case of the model and in this case, 79.6% is explained by the independent variables. The adjusted coefficient of determination $R^2_{(adjusted)}=0.794$ shows the predictive power after factoring in the effects of some variables with low explanatory power or degree of freedom. In this case 79.4% performance is explained by the independent variables.

4.6.2 Analysis of Variation (ANOVA)

Analysis of variance was carried out to determine if a statistically significant difference in mean occurs between the independent variable and the dependent variables. The model summary table above shows the results where the F ratio is 354.436 with 0.000 significance implying $p < 0.05$. This means there was not much difference in mean between dependent and independent variables. The sum of squares gives the model fit. It explains that the data set fits into regression model.

Table 4.15: Analysis of Variance ANOVA^a

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	39.334	3	13.111	354.214	.000 ^b
Residual	10.068	272	.037		
Total	49.403	275			

a. Dependent Variable: Performance

b. Predictors: (Constant), participative budgeting, monitoring and control, planning

Source: Field Data (2014)

4.6.3 Regression Analysis Equation Coefficients

The table 4.16 below shows the regression analysis equation coefficients where: Dependent variable, Performance of Public Benefit Organizations, This resulting model is as follows:

Table 4.16: Regression Analysis Coefficients
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	.522	.044		11.856	.000
1 planning	.314	.019	.482	16.940	.000
Monitoring and control	.300	.013	.645	23.097	.000
Participative budgeting	.178	.015	.344	11.910	.000

a. Dependent Variable: Performance

Source Field Data (2014)

The beta values guides on interpreting the adjusted R^2 and show the contribution of every variable to explanation. Table 4.16 above shows that regression coefficient between

performance of PBO's as the dependent variable and planning, monitoring and control (variance analysis) and participative budgeting is positive at $\beta = 0.314$, $\beta = 0.3$ and $\beta = 0.178$ respectively. This means that the above budgetary control measures have a positive linear relationship to the performance of Public benefit organizations. The constant y intercept is at 0.522. Thus the regression equation then simplifies to:

$$y = 0.522 + 0.314x_1 + 0.300x_2 + 0.178x_3$$

And

$$R^2 = 0.796 \text{ and } R^2_{(adjusted)} = 0.794$$

4.6.4 Interpretation of Regression Analysis

From the above analysis, the full model is statistically significant. The Regression Coefficients table above indicates that there exists a direct relationship between the three key factors of budgetary control and performance of public benefit organizations in Kisumu. P-value is statistically significant at a level of 0.05 or less which suggests a linear relationship among the independent variables and performance of PBO's in Kisumu. Statistical significance at a 0.05 level means there is a 95% chance that the relationship between Planning, monitoring and control and Participative budgeting versus performance of PBO's is not due to chance. From model summary table above, there is a strong positive correlation of 0.892 between the Budgetary control factors and the performance of PBO's. This implies that and improvements on these factors resulted to improved and better performance of the public benefit organizations in Kisumu.

4.7 Discussion of The Findings

The study results show that there is a positive causal relationship between planning, variance analysis, participative budget and the performance of PBOs in Kisumu county at 79.4%. Schick (1999) states that the main purpose of a budget in any organization is for planning and controlling in order to achieve organizational goals and objectives, this means that planning and controlling if implemented well could have a positive effect on performance.

The in PBO sector stewardship theory provides that managers and implementers should diligently apply resources to achieve maximum returns to the stakeholders who are the donor or the recipients. To achieve a high level of performance efficiency, checks and balances needs to be put in place. The results of this study confirm that the stewardship theory holds among PBOs in Kisumu County. The study model of

$Y = a + b_1x_1 + b_2x_2 + b_3x_3 + e$ was also relevant to the study as the three independent variable chosen were found to have a direct and positive causal relationship with the dependent variable. Financial performance in PBOs is measured in three dimensions, financial sustainability, efficiency and effectiveness (Lewis, 2009). This research was able to show the two dimensions of financial performance of PBOs that is the efficiency and effectiveness, there is room for further studies of financial sustainability.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

In this chapter, the researcher presents a summary of the major findings from the results of the study and the conclusions drawn from them. It also presents the recommendations made by the researcher. This was done in respect to the stipulated objectives in a bid to answer the research questions.

5.2 Summary

The following are the major findings of the study as per the objectives:

The main objective of the study sought to identify various Public benefit organizations within Kisumu County. The study found out that over half (50.4%) of the respondents had worked for 1 to 4 years, 19.6% of the respondents had worked for less than 1 year and 22.5% of the respondents had worked for 4 to 10 years at the time of study. Only 7.6% of the respondents had worked for more than 10 years at the time the study was done. The research found out that 13.8% of the public benefit organizations budget only covered less than one year, 69.6% of the PBOs' budget covered 1 to 5 years time period and 16.3% of the PBOs budget covered more than 5 years. Only one PBO did not have a time frame of budget coverage.

Further the study found that, 8.0% of the PBOs reviewed their budgets on monthly basis, 45.6% of them review budgets on quarterly basis while 39.5% of the PBOs review their budget annually. Study also indicated that 6.9% of the PBOs neither reviewed their budgets on monthly, Quarterly nor annually basis.

In addition, 12.7% of the PBOs in Kisumu County had an annual budget of less than \$12,000, majority of the PBOs 41.3% operate with an annual budget of between \$12,000 to \$58,000. The study also indicated that 22.8% of the PBOs had annual budget of between \$58,000 to \$116,000 and 23.2% of the PBOs had annual budget revenue which was above \$116,000. This was as a result of majority of the PBOs in the area (77.17%) were large in size and had more than one project or had similar projects running in other Counties in the Kenya while 22.83% of the PBOs were only based in Kisumu county.

Results from Correlation analysis between Planning and Monitoring and control of budgets in PBOs. ($r = 0.037$, $p = 0.541$) revealed a very weak positive correlation significant at $p < 0.05$. This implied that Planning had a very weak positive association with Monitoring and control of budget. However there was a strong Correlation between all the budgetary control factors and Performance of PBOs. Correlation analysis between Planning and performance of PBOs was ($r = 0.595$, $p = 0.000$), between Monitoring and control and performance of PBOs was ($r = 0.602$, $p = 0.000$) and between participative budgeting and performance of PBOs was ($r = 0.354$, $p = 0.000$). This implied that there existed a strong positive relationship between budgetary control factors and performance of PBOs in Kisumu County.

Further the results for Correlation analysis between Participative budgeting and Monitoring and control of budgets in PBOs. ($r = -0.178$, $p = 0.003$) revealed a weak negative correlation significant at $p < 0.05$. This implies that Participative budgeting and Monitoring and control of budget no relationship between them.

5.3 Conclusions

This research examined the budgetary controls and concludes that the PBOs generally have budgetary controls at different levels of organizations; it established that most of them have planning, monitoring and controls, and budget participation. Planning contributed the highest towards the positive performance of the PBOs followed by Monitoring and Control and finally budget participation. Most of the organizations met the required 30% administration cost and 70% program costs which a standard requirement for PBOs. Finally this research determined the effects of budgetary controls on performance of PBOs using correlations and regression methods established the relationship and have also concluded that there is a high positive relationship between budgetary controls and performance. This means that budgetary controls might not be the only reason for high performance but significantly contribute to the performance with a correlation rate of 79.4 percent. However other factors may affect the performance of a PBO.

5.4 Recommendations

5.4.1 Recommendations To Policy and Management Practice

In light of the above findings, the researcher made the following recommendation:

Budgetary controls are important in influencing performance therefore more efforts should be made by management of organizations both profit and non-profit to sensitize the employees on its importance so as to enhance performance. It also recommends that organizations should develop more formal practice in the development of budgetary controls, that is, Planning, Monitoring and Control and budget participation. Most

organizations have minimal formal budget controls in their organizations hence the need to develop a clear policy on budget control processes. Based on the findings, organizations need to investigate other factors that contribute to better performance apart from budgetary controls, like employees motivation and invest more in staff development in order to enhance their performance. Monitoring and Controls shows the highest contribution towards performance hence more training should be done to the managers on how to conduct more efficient controls and monitoring. The findings also indicate that budget participation has an impact on the organizations performance hence the budgetary controls should not be top-down in nature, instead the top management should make efforts to elicit feedback from subordinates at different levels in developing the organizations budget. As such, top management needs to understand that the positive impact of budgetary participation on managerial performance works both directly, as a consequence of management involvement in the budgetary process, as well as indirectly, when managers' commitment to the organization increases due to their participation and involvement in the budgetary control process.

5.4.2 Contribution to Knowledge

Most Previous research have shown a high positive relationship between budget controls and performance, for example, Silva & Jayamaha (2012) who evaluated budgetary process of apparel industry in Sri Lanka and see whether budgetary process has significant impact on performance of such industry and found a high positive correlation at 77.4%.Others like Brownell (1982) suggests that when budgetary control is high, budgetary participation should increase accordingly. Serem shadrack kipkemboi (2011)

researched about the ‘Effect of budgetary control on performance of non-governmental organizations in Kenya. His findings were that there was a weak positive effect of budgetary controls on performance .Noting that this was a study carried out in the whole country, this difference in the findings show that there is no homogeneity of budget control strategies. Therefore there is still a gap in the for future research to be carried out in other regions in Kenya.

5.5 Limitations of the Study

Conducting this study encountered a number of challenges related to the research and most particularly during the process of data collection. Some respondents were biased going by the information they provided for reasons such as confidentiality and an effort to paint their organization in good picture as some respondents tend to depict best practices.

Activity implementation of various organizations takes at the field sometimes in remote places. Therefore, the researchers could not corroborate the information given about the beneficiaries.

5.6 Suggestions for Further Studies

This research concluded that there is a high positive relationship between budgetary controls and performance in PBOs however other factors may have influence on performance apart from budgetary controls. Therefore more research need to be done on factors that influence performance on PBOs. The researcher chose Kisumu county because of the concentration of PBOs, However there are other counties/regions that have

a high presence of PBOs like the north rift region, Makueni and Kitui counties, Northern Kenya among other regions. Financial performance in PBOs is measured in three dimensions, financial sustainability, efficiency and effectiveness (Lewis, 2009). This research was able to show the two dimensions of financial performance of PBOs that is the efficiency and effectiveness, there is room for further studies of financial sustainability.

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APPENDICES

Appendix 1: Questionnaire

Dear Sir/Madam,

Dear respondent, I am conducting a study on The relationship between Budgetary Controls and the performance of PBOs in Kisumu County as part of my study at the University of Nairobi. As one of the respondent, your involvement is very important to this study. This questionnaire is solely for academic purposes. The answers you give will not be shared with any person or institution. Your participation is highly appreciated. Thank you in advance.

Yours faithfully,

Godfrey Kwena Okwaro

PART A: GENERAL QUESTIONS (Please tick in the appropriate box provided).

1. What period does your overall organization Budget Cover? (a) Less than 1 year () (b) 1-5 years () (c) 5 and above years () (d) None ()
2. How often is it reviewed? (a) Monthly () (b) Quarterly () (c) Annually () (d) None ()
3. What is your approximate annual budget revenue? (a) \$12,000 and less () (b) \$12,000-\$58,000 () (c) \$58,000-\$116,000 () (d) \$116,000 and above ()
4. How long have you worked for the organization (a) Less than 1 Year () (b) 1-4 Years () (c) 4-10 Years () (d) 10 and above ()

5. Other than Kisumu, do you have any other operations in Kenya? Yes () No()

PART B: PLANNING. Please respond to the following statements by indicating whether you agree or disagree with the activities. YES (1) NO (2)

1. Our organization has Long term and short term Budget Plans 1(), 2()

2. Our budgets have clear goals and objectives 1(), 2()

3. Our Budgets cover all the aspects of our Mission 1(), 2()

4. Whether budgeting, outcome goals/objectives are linked to programmes 1(), 2()

5. We set priorities for the coming year at budget/work plan meetings. 1 (), 2()

6. All departments/programs prepare budget plans prior to the budget year 1(), 2()

7. What is the availability of donor funding in your entity?

2008/2009 KES _____

2009/2010 KES _____

2010/2011 KES _____

2011/2012 KES _____

2012/2013 KES _____

PART C: MONITORING AND CONTROL. Please respond to the following statements by indicating whether you agree or disagree with the activities. YES (1) NO (2)

1. Managers hold budget review meetings regularly to review performance 1(), 2()
2. We have Budget Approval levels to check on spending 1(), 2()
3. Controls and approval is done by the head of departments 1(), 2()
5. The costs of activities are always reviewed by the executive committee 1(), 2()
6. Budget performance evaluation reports are prepared regularly. 1(), 2()
7. Budget deviations are reported to management 1(), 2()
8. The deviations from the budget targets are frequently reported 1(), 2()
9. Managers always take timely corrective actions when adverse variances are reported.
1(), 2()
10. There is a regular follow up on budget plans by the budget committee/Departmental heads 1(), 2()

PART D: PARTICIPATIVE BUDGETING . Please respond to the following statements by indicating whether you agree or disagree with the activities. YES (1) NO (2)

1. I'm involved in the budget setting process 1(), 2()
2. We are sensitized on the budget control process 1(), 2()

3. All the stakeholders to the budget are involved 1(), 2()
4. All departments are always involved in the budgeting process 1(), 2()
5. Approved Budgets are shared with all Departments 1(), 2()
6. Leadership and support is given to all the Subordinates Throughout the budget by managers 1(), 2()
7. Each department prepares a budget prior to the Overall budget 1(), 2()

PART E: PERFORMANCE Please respond to the following (Please tick in the appropriate box provided).

1. The revenue growth of the organization in the past one year lies between (a) 0-3% ()
(b) 3-10% () (c) 10-20% () (d) 20% and Above ()
2. The number of community participation increased within the past year by: (a) 0-3% ()
(b) 3-10% () (c) 10-20% () (d) 20% and Above ()
3. Dollars spend on providing aid and support in the past one year increased by: (a) 0-3%
() (b) 3-10% () (c) 10-20% () (d) 20% and Above ()
4. Number of beneficiaries reporting an improvement in their quality of Life in the past one year lies between: (a) 0-3% () (b) 3-10% () (c) 10-20% () (d) 20% and Above ()
5. Number of new donors involved in terms of percentage during the past one year. (a) 0-3% () (b) 3-10% () (c) 10-20% () (d) 20% and Above ()
6. Financial Efficiency

(a)Administrative Efficiency as a percentage of Administrative expense divided by Total Expenses in the past year. (a) 0%-30% () or (b) 30% () or (c) 30% and above ()

(b)Program Efficiency as a percentage of Program expenses divided by Total Expenses in the past year. (a) 70% and above () or (b) 70% () or (c) 70% -0% ()

7. What set of financial statements does your PBO keep?

Balance sheets

Income statements

Cash flow statements

Budget variance analysis

Bank reconciliation statements

APPENDIX 2 : NAMES OF PBOs

Children First Organization	Development Promotion And Technical Services
Community Livelihood Development Forum	Kisumu Youth Olympic Centre
Cohesu Community Health Support Programme	Mildmay International- Kenya
Resource Engineering For Development	Nehemiah International Organization
Pioneer Child Project	Kisumu Environmental Network
Harambee In Progress (Kenya)	Rachuonyo Integrated Outreach Programme
Neighbours In Action - Kenya	Mercy Homes Of Kenya
Lake Victoria Educational Development Programme	Mumbo Self- Help Development
Widows And Orphans International	Ujima Foundation For Training And Development
Fred Outa Foundation	Compassion Ministries
Wifip Education And Development	Community Rehabilitation And Environmental Protection Programme
Centre For Peace And Democracy	International Fellowship-Kenya*
Uhai Lake Forum	Wings Of Hope
Sustainable Aid In Africa International	

Agape Development Ministries	Centre For Entrepreneurship
Friends Society For Kenyan Children In Japan**	Development And Gender Issues
Macliam Life Africa International Fund	Forum For Awareness And Community Empowerment
Noble Charity Homes For Destitutes	Tropical Focus For Rural Development
Uhuru Organization (International)	Covenant Home Organization
Imbeli Socio - Economic Convention	
Community Rehabilitation And Protection Programme (Crepp)	Development Work In Education
Disaster And Health Support Organization	Livelihoods And Environment
Kenya Victoria Beach Medical Laboratory Network Services	Society For Hospital And Resource Exchange(Share)
Kisii Deaf Academy	Centre For Economic And Liberitarian Affairs
Millenium Human And Natural Resources Development Programme	Community Health And Environmental Programme
Nehemiah International	Development Rehabilitation Relief Organisation
Osienala Friends Of Lake Victoria	Disciples Of Mercy Empowerment Initiatives

Duogo Displaced Children Orphans And Widows Support	Whitestone Community Based Care Organisation
Initiatives In Community Empowerment For Health And Development	Women In Health Education And Economic Leverage
Nature And Environment Conservation Volunteers	World Youth International Kenya Port Florence Youth Initiative
Nyalenda,Recycling Project	Sustainable Community Opportunities For Restoration And Empowerment
Ongata Rongai Organisation For The Needy	Sustainable Community Opportunities For Restoration And Empowerment
Port Florence Community Hospital	Participatory Resource Development Programme
Rural Energy & Food Security Organization	International Fellowship - Kenya Sustainable Community Opportunities For Restoration And Development
Sondu Miriu Nam Awach Development Organization (Sonnado)	
Support For Rural Initiatives Enhancement	
Victoria Institute For Research On Environment And Development International	

Interlife Aid - Kenya

Lake Victoria Educational Development

Programme (Lavedep)

Sustainable Development Support-

Africa

Nyando District Rural Development And

Resource Centre Organization

Rehabilitation Centre For Drug Addicts

Winyanam Community Development

Counselling Centre

Christ's Hope International

Korando Poverty Eradication

Organization

Oasis Of Help Organization

Maseno Child Self Help Community

Development Support Service

Malanga Orphan Children Centre

Social Unity For Leadership And

Women Empowerment

Aid The Needy - Kenya

Development Innovations For Rural

Communities

Community Development Services In

Africa

Lake Victoria Partners For Development

Assalam Muslim Women Forum

Apollo Foundation

Global Assistance Partners, Inc

Serve All The People Of Africa

Development Programme

The Ark Of Orphans Development

Programme

Local Strategies Initiatives

Agape Foundation Self Help Programme

Child Lifeskills Development Program

Rural Partnership For Community

Advancement

Orongo Widows And Orphans Project

International (K)

International Education And Resource -

Nest Organization (Kenya)

Centre For Community Research And

Development Programme

Community Self Help Development

Harambee For Kenya

Ambeka Resource Centre

Happy Villages Organization

Africa Digna

Africa Tunajali Initiative

Tears Of Hope Project

Nyamuri Center For The Education Of

Children And Youth With Disabilities

Child Life Protection Initiative

Matata Foundation

Impact Research And Development

Organization

Mama's Love Foundation

Magna Children At Risk

Eden Community Development

Organization

Fredrick Yanyuma Witaba Foundation

Samoel Community Development

Programmes

Jitolee Development Program

Green Women Against Food Insecurity

Seas Of Life Missions Kenya

Centre For Community Research And

Development Programme

Small Holder Irrigation Support

Organization

Disability Empowerment Leadership

Training And Advocacy Foundation

Enterprise Incubation And Development Centre	Matrix Health Solutions International Development For Effective Transformation (Devat)
Action For Change And Progress Organization	Suluhisho Trust
Ebenezer Life Centre International	Alliance Of Counties Against Hiv/Aids
Centre For Legal Rights, Education, Advocacy And Development	Kisumu Development Programme
Centre For Literacy And Community Development	The Crossover Development Programme
Centre For Humanitarian Affairs And Community Development	Clean Green Kenya
Kisumu Research And Development Centre	Global New Generation Kenya
Community Nursing Services	Agency For Sustainable Development
Mobilization For Sustainability In Rural Areas	Rural Lands Rights Program
Rural Livelihood Improvement International	Supporting African Girls In Education
Rawera Support Centre	Grow Strong Kenya
	Nowa Moyie Foundation
	Rural Water And Sanitation Organization
	Dolfine Korando Faith Foundation
	Make Me Smile Kenya

Centre For Transition And Development-Kenya	New Generation Outreach
Adhiro Pala Rehabilitation Center	West Kenya Energy Network
Masogo Integrated Development Programme	Achayo Women Organization
Needy Friends Centre	Society For Hospital And Resource Exchange
Community Outreach Centres	Social Needs Network
Development Knowledge Link-Africa	Kenya Neem Foundation
Development Work In Education, Livelihood And Environment	Sarvadev Shiv Mandir Dunga
Omega Foundation	East African Development Ministry
Endelevu Community Development Services	Citizen Social Care Centre
Macag Development Group	St. Francis Community Development Program
St. Keziah's Development Foundation	Korando Poverty Eradication Organisation
West Kenya Community Empowerment Network	Gender Initiative Support Programme
Local People's Hope	Imani - Africa Communities Development Agency
	The Nightingales Rural Health Services

Urban	Africa Co-Operation And Development Programme
Kakamega Forest Conservation Schools' Network	Ahero Miracle Victory Centre
Rural - Kenya World Cultural Link	Community Mobilisation For Economic Development And Advancement
"Nehemiah International Organization	Endelevu Commmunity Development Services (Ecods)
"	Foods And Nutrition Surveillace
Development Work In Education, Livelihoods And Environment	Kenya Child And Family Development Organisation (Kecfado)
International Restoration Organization	Kenya Female Advisory Organisation
Spearheading Economic Development For Africa	Kima Integrated Community Initiative Programme
Community Initiative Support Services	Kisumu Urban Apostolate Programmes
Hillside Development Services	Lake Sea Network International
Nightingales Rural Health Services	Masogo Intergrated Development Programme(Midep)
Support For Tropical Initiatives On Poverty Alleviation	Ogra Foundation
The Kenya Women Economic Network	
Africa Now	

Our Lady Of Perpetual Support For
People Living With Hiv/Aids And
Orphans

Participatory Community Support
Programme

Samaritan Development Programme

Several Projects In One Organization
(Spino)

The Charity Organisation Of Kenya

Gender And Development Centre

Safe Water And Aids Project

Mothers' Rescue Centre

Africa Co - Operation And Development
Programme

Mothers' Rescue Centre

Step-Up Development Organization

Network For Eco - Farming In Africa
(Necofa - Kenya)

Strategic Partners In Research And
Development

Neem Environment Project

Integrated Health Concern Support

Local Peoples Hope

Women Action Forum For Networking

Community Initiative Concern

Volunteer Intercultural Programs And
Internships - Africa

Girl Child Socio - Economic Support
Centre

Pendeza Africa

Keeping Alive Societies' Hope

Heritage Conservation And Promotion
Organization

Fanikio Organization

The Strive Project Initiative

Shepherds Rock Community Development	Change Africa Foundation- Kenya Women's Property Rights Organization
Hiv/Aids Research And Advocacy Programme	Marenyo Friends Of The Poor Community Programme
Action Resort For Change	Mariska Foundation
Kisumu Kids Empowerment Organization	Young Generations Centre Community Initiatives Concern
Research, Care And Training Programme	Migori Water For All (Miwafa Foundation)
Educational Research And Development Centre	Mama Jane's Foundation
Nyakongo Education And Health Resource Management Programme	Lake Victoria Environment And Development Organization
Kenya Women Economic Network	Positive Living Aids Orphans Support Organization
Teenage Mothers And Girls Association Of Kenya	Chase Care Kenya
One Vibe Entertainment Foundation	Integrated Reproductive Health Solutions
Agape Counselling And Training Services	Lakeside International Foundation

Enrich Foundation	Winam And Neighbours Development Organization
Pragmatic Development Organization	Friends Of Rang'i
Vijana Maarufu Development Organization	Health Care And Support International
Jacaranda Educational Organization	Umoja Youth Community Services Kenya
Alice Visionary Foundation Project	Cape Of Hope Foundation
Kenya Alliance For Rural Empowerment	Youth Arena Organization
Dechwa For Empowerment And Development	Victory Support Foundation
Anding'o Mount Foundation	Centre For Agricultural Development Research And Extension -Kibos
Fealty Community Development Initiatives	Centre For Global Health And Child Development Kenya
Mzizini Rural Initiative	Lake Clinical Research And Community Support Initiative
Mothers Of Tomorrow	Community Action On Environment And Development
Centre For Health, Environment And Agricultural Development	Sisi Na Bidii For Future Development
Livelihood Improvement Centre	
Help Needy Kenyan Children	

International Federation Of Educative
Communities Kenya

Gotre Social Development Organization

Gift Of Sight Initiative

Be The Change Academy Kenya

Freekenya Foundation

Healthy Society Organization

Grassroots Initiatives For Total
Development

Ndoto For Africans Future

Implementation Research Solutions
Kenya

Ndoto For Africas Future

Ecofinder Kenya

Hopelink Initiative

Grassroots Network Organization

Family Support Community Based
Initiatives

Pambazuko La Wanawake Magharibi

Africa Center For Health Systems

Research And Management

Agency For Integrated Health And
Community Development

Better Life For The Needy Foundation