



Impact of Financial Accountability Practices on Grant Performance of Local NGOs: A Case of Arct Ruhuka

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Abstract: *The general objective of this research was to examine the effect of financial accountability practices on the grant performance of local NGOs in Rwanda. The research was supported by agency theory, resource-based view (RBV) and institutional theory. The researcher used descriptive case study. Research design was based on qualitative and quantitative approaches. The population of the study was 140 and sample of 140 respondents, sampling technique was used to pick all the respondents as the sample size of the population. The researcher used SPSS software application to analyse the data. Mean standard deviation and percentages were used for data analysis. The relationships between the variables were established by use of Pearson correlations. Basing on ANOVA p-value was 0.000 that was <0.05 and the significance level of 327.428. This means that there is no significance effect of financial reporting practices on the grant performance of Non-Governmental Organisations in Rwanda, was rejected and goes by other anticipation that means that financial reporting practices impact the grant performance organisations in Rwanda in terms of budget monitoring, policies & procedures and financial reporting. The study concluded that putting proper budget monitoring processes in terms of regular budget monitoring at ARCT Ruhuka influenced the achievement of project goals and objectives, regular budget monitoring have on the cost efficiency of grant-funded projects at ARCT Ruhuka in Rwanda. The researcher proposes further studies on impact of budget monitoring on economic development in rural areas in Rwanda.*

Keywords: *Financial Accountability, Grant Performance, Regular Budget Monitoring, Policies and Procedures, Regular Financial Reporting*

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1. Introduction

In East African Community (EAC), financial accountability practices are essential for the sustainability and effectiveness of local NGOs. In *The Role of NGOs in the East African Community: A Study of the Challenges and Opportunities*, emphasizes that robust financial management and accountability frameworks are vital for NGOs to boom in a competitive funding landscape. The region's unique challenges necessitate a strong focus on accountability to maximize the impact of grant-funded projects and ensure long-term success. (Mshana, 2016). In Kenya, NGOs play a

significant role in the development of the country, especially in addressing poverty, education, and healthcare. However, Kenya has faced challenges in ensuring financial accountability, particularly in the face of corruption and mismanagement of funds. The Kenyan government has introduced laws such as the Public Benefit Organizations Act to regulate and enforce accountability within the NGO sector. (Omondi & Nyongesa, 2016). National perspective, non-governmental organizations (NGOs) play a pivotal role in advancing national development goals, particularly in sectors like education, health, community development, and humanitarian aid (Niyonsaba & Rukundo, 2020).

The country's government has introduced policies and frameworks aimed at promoting accountability and transparency within the NGO sector. This includes the Rwanda Governance Board (RGB), which oversees NGO registration, compliance with financial reporting, and ensures that funds are utilized as intended (Rwanda Governance Board, 2020). These regulations require NGOs to adhere to strict financial practices, including accurate record-keeping, financial audits, and transparent reporting to donors. The enforcement of such measures aims to prevent financial mismanagement, corruption, and inefficiency, all of which can compromise the performance of grant-funded projects (Mukashema & Mugisha, 2021). The success of grant-funded projects in Rwanda depends largely on how well financial accountability practices are integrated into the operations of NGOs. Effective financial management practices can ensure that grants are utilized efficiently, achieving the intended outcomes while fostering donor trust and ensuring organizational sustainability. Research has shown that NGOs with robust financial accountability mechanisms are better equipped to meet the performance expectations of funders and achieve higher levels of success in their projects (Uwera, 2021). Moreover, proper financial oversight reduces the risk of fund mismanagement, which is a significant concern in the nonprofit sector (Baker & Sampson, 2022).

In the field of project management, researchers have studied the concept of accountability extensively even though Project managers continue to face many challenges and problems concerning accountability. Project failure is a common phenomenon among many non-profit organizations and such projects are geared towards improving the living conditions of the poor. Grant projects are crucial for achieving development goals in various sectors. However, their success is often hindered by inadequate financial accountability practices. Financial accountability ensures that grant funds are utilized efficiently and effectively, (Okiror et al 2024). This study specifically focuses on ARCT Ruhuka , a local NGO in Rwanda that specializes in community development and humanitarian response. Like many NGOs operating in the country, ARCT Ruhuka faces the dual challenge of managing limited financial resources while complying with rigorous donor requirements and government regulations. Understanding how financial accountability practices at ARCT Ruhuka impact its ability to meet the expectations of donors and achieve successful outcomes in its grant-funded projects is crucial for developing insights that can benefit other local NGOs in Rwanda.

This study on financial accountability practices and grant performance at ARCT Ruhuka in Kigali, Rwanda, seeks to address a critical gap in understanding how financial accountability influences the effectiveness and outcomes of grant-funded projects. In many developing countries, including Rwanda, the management of funds allocated for various projects is often fraught with challenges such

as misallocation, lack of transparency, and inadequate monitoring mechanisms. These issues are thought to severely hinder project performance and ultimately affect the socio-economic development goals that such grants aim to achieve. Despite the importance of financial accountability, there is limited research on its impact on grant performance in developing countries.

According to Aradukunda and Sikubwabo (2024) about the Influence of Financial Resources Management on Project Performance in Public Institutions case of Kigali City established that accountability was key in project performance. However, these findings can be generalized in the case of the ARCT Ruhuka project. This study aims to investigate the relationship between financial accountability practices and grant performance. Aradukunda and Sikubwabo (2024) highlight the importance of accountability in grant performance within public institutions in Kigali, Rwanda, their findings lack specific applicability to the ARCT Ruhuka projects as NGO, which may have unique financial and operational contexts. Moreover, their study does not thoroughly explore the specific financial accountability practices that influence grant project performance or consider the interaction of other factors such as organizational culture and stakeholder engagement. This presents a research gap that warrants investigation, as understanding these nuances could provide valuable insights into enhancing project outcomes in similar settings.

The general objective of the study was to examine the effect of financial accountability practices on the grant performance of local NGOs in Rwanda.

This study was guided by the following specific objectives; -

1. To examine the effect of regular budget monitoring on grant performance of ARCT Ruhuka
2. To examine the effect of policies and procedures on grant performance of ARCT Ruhuka
3. To investigate the effect of regular financial reporting on grant performance of ARCT Ruhuka

The following research Null hypotheses were developed:

H0₁. There is no relationship between regular budget monitoring and grant performance of ARCT Ruhuka

H0₂. There is no impact of policies and procedures on grant performance of ARCT Ruhuka

H0₃. There is no effect of regular financial reporting on grant performance of ARCT Ruhuka

2. Literature Review

2.1. Theoretical Review

The study was guided by the following theories such as Resource-Based View (RBV), Agency Theory and Institutional Theory

2.1.1 The Agency Theory

This study employed the agency theory, which helps to explain the relationship between agents and principals, where a principal relies on an agent to execute specific business or financial transactions on their behalf. Then the principal expects the agent to represent their interests without regard for self-interest. This theory is particularly relevant in situations where one-party delegates decision-making authority to another, creating a dynamic that can lead to conflicts of interest. The theory focuses on the relationship between principals who provide funding, such as grantors and agents who manage projects known as such as grant recipients. In this context, financial accountability practices serve as mechanisms to align the interests of both parties. (Zhao, 2023). The theory explains that when grant recipients are held accountable through rigorous financial practices, they are more likely to act in the best interest of the funders. This alignment can lead to improved project performance because it reduces the risk of mismanagement or misuse of funds, (Zhao & Zhang 2023).

The Agency Theory is another relevant theoretical perspective to consider in this study as it examines the relationship between principals (such as shareholders or stakeholders) and agents (such as managers) within organizations. In the context of the research study, the Agency Theory provides insights into the dynamics between principals and agents and how financial control mechanisms can address agency problems and enhance accountability. The study can examine how financial control measures align with the principles of the Agency Theory and contribute to accountability outcomes within institutions. It can investigate how financial control mechanisms affect the behavior and actions of agents, the monitoring and control mechanisms employed, the alignment of incentives, and the sharing of information and risks between principals and agents. Empirical evidence can shed light on the effectiveness of financial control mechanisms in mitigating agency problems and promoting accountability within institutions.

2.1.2 Resource-Based View (RBV)

The Resource-Based View (RBV) suggests that an organization's resources, capabilities, and competencies are the key drivers of its competitive advantage. In the context of local NGOs like ARCT Ruhuka, the financial accountability practices that an organization employs can be seen as a crucial resource that impacts its performance in managing and utilizing grant funding. According to RBV, NGOs with robust financial accountability mechanisms such as regular financial reporting, audits, and effective budgeting processes can better leverage

their resources to optimize project execution and ensure that grant funds are used efficiently. This, in turn, improves the organization's reputation and ability to attract future grants (Barney & Hesterly, 2019). Integrating financial accountability into their strategic routines, local NGOs such as ARCT Ruhuka strengthen their capacity to manage multiple donor funds, ensure compliance with donor requirements, and effectively implement projects. This enables them to develop sustained advantages in securing and utilizing grants (Teece, 2017). The development of strong financial systems allows NGOs to differentiate themselves in a competitive funding environment, further improving their grant performance over time.

2.1.3 Institutional Theory

Institutional Theory examined how institutional contexts, norms, and regulations shape organizational behavior and practices. In the realm of local NGOs, financial accountability practices are often influenced by external pressures from regulatory bodies, funding agencies, and societal expectations. For ARCT Ruhuka, adhering to established financial accountability standards can enhance its legitimacy and credibility in the eyes of stakeholders. This legitimacy is crucial for securing funding and support, as donors are more likely to invest in organizations that demonstrate strong accountability practices (Powell, 2016). Additionally, Institutional Theory highlights the concept of isomorphism, where organizations within the same field adopt similar practices to gain legitimacy and resources. For NGOs, this means that adopting best practices in financial accountability can not only improve their performance but also align them with the expectations of the broader institutional environment. By conforming to these norms, ARCT Ruhuka enhance its reputation and effectiveness in managing grants, ultimately leading to better project outcomes and sustainability (Scott, 2021).

2.1.4 Decision Theory

Decision theory (or the theory of choice) was the study of the reasoning underlying an agent's choices. Decision theory can be broken into two branches: normative decision theory, which gives advice on how to make the best decisions, given a set of uncertain beliefs and a set of values; and descriptive decision theory, which analyzes how existing, possibly irrational agents actually make decisions. The distinction between normative and descriptive decision theories is, in principle, very simple (Nelson, 2022).

According to Nelson, (2022) states that a normative decision theory is a theory about how decisions should be made, and a descriptive theory is a theory about how decisions are actually made. The "should" in the foregoing sentence can be interpreted in many ways. There is, however, virtually complete agreement among

decision scientists that it refers to the prerequisites of rational decision-making. In other words, a normative decision theory is a theory about how decisions should be made in order to be rational. This is a very limited sense of the word "normative". Norms of rationality are by no means the only or even the most important norms that one may wish to apply in decision-making. However, it is practice to regard norms other than rationality norms as external to decision theory (Scheufler, 2022).

Decision theory does not, according to the received opinion, enter the scene until the ethical or political norms are already fixed. It takes care of those normative issues that remain even after the goals have been fixed. This remainder of normative issues consists to a large part of questions about how to act when there is uncertainty and lack of information. It also contains issues about how an individual can coordinate her decisions over time and of how several individuals can coordinate their decisions in social decision procedures. In conclusion, integrating decision theory into credit management practices significantly enhances the financial sustainability of NGOs in Rwanda by improving risk assessment capabilities, optimizing loan portfolios, ensuring regulatory compliance, and fostering stronger customer relationships.

2.2 Empirical Literature

2.2.1 Regularly Budget Monitoring and Grant Project Performance

According to Azubike (2021) looked at the effect of financial control system on the Nigerian financial system and economic growth. Since the inception of the Buhari's Administration, Transportation Security Administration (TSA) has been a topic of widespread discussion from all over the media and the economy at large, due to the impact, some experts, especially those in the financial sector believe it has on the financial institutions in particular and the economy at large. However, using the Statistical Package for Social Science (SPSS), a descriptive method was used to analyse secondary data gathered from the financial reports (balance sheet and profit and loss account reports) of five (5) major deposit money banks (DMBs) in Nigeria. This study concluded that, TSA does not have so much negative impact on the Nigerian financial institutions as most of the institutions are still very stable and buoyant financially. Moreover, the financial insolvency being experienced by some deposit money banks, are because of factors outside the purview of Treasury Single Account system. This study therefore recommended that government should re-invest the funds taken away from the financial institutions back into the economy in the form of capital expenditure to revamp the economy from its current state of recession.

Samuel (2021) investigates the effects of financial control practices on accountability in Nigeria public sector. This is due to the dearth of literature in this area of study. The cross-sectional survey research design was employed, the data were primarily sourced by means of a questionnaire (research instrument) and empirically analyzed. The target population of this study was the staff (2,125) of public/civil servants working in the Accounts and Finance departments of Lagos and Ogun States government Secretariats, Taro Yaman was adopted to arrive at 337 sample size. Data was analyzed using the SPSS 20.0 version software, inferences were made at 5% significant level. The study showed that financial control has a significant influence on accountability of the public sector (Adj. R²= 0.468, F(4, 349) = 77.692, P< 0.05). Based on this finding, they concluded that there is a significant effect of financial control practices on accountability in the public sector. The study also established that financial control has a significant influence on responsibility of the public sector (Adj. R²= 0.141, F (4, 349) = 15.296, P< 0.05). Therefore, the study concluded that there is a significant effect of financial control practices on responsibility of public sector accountability. The study therefore concludes that there is a positive significant effect between financial control practices and accountability in the public sector. Based on the findings of this study the study recommends that: The existing physical control assets should be strengthened in order to ensure effective financial control and improve accountability thereafter due to the insignificant effect physical control of assets has on accountability in public sector.

2.2.2 Policies and procedures and Grant Project Performance

Akinwunmi, (2019) examined the usefulness of policies and procedures and accountability in the public sector institutions in Nigeria. The objectives of the study were to investigate if the control of public funds is appropriate and to find out whether necessary accounts are kept and to examine the proper administration of government funds. The research was carried out, using the Federal Medical Centre, Owo, Ondo State as a case study. Primary Data was collected through convenience sampling methods and using self-administered questionnaires for 40 respondents. They included Staff in the Audit and Account department. Also, Secondary data was retrieved from the Central Bank of Nigeria Statistical Bulletin on federally generated revenue and expenditure incurred (Capital and Revenue). Chi-Square was used to test the hypotheses. Simple Linear Regression was used to analyze the secondary data to test for the relationship between the revenue generated by federal government and expenditure incurred. From the findings, it was found that financial controls and accountability exist in the public sector. The researcher also found that a positive relationship exists between revenue generated by the federal government and expenditures incurred. This study concluded that

financial control and accountability is effective and efficient. Therefore, the study recommends that existing financial controls should be strengthened to improve accountability in the public sector in Nigeria.

Kanyi and James (2023) conducted a study on the impact of computerization on financial reporting practices among six registered international non-governmental organizations (INGOs) in Ghana. The study highlights that, globally, funders increasingly require NGOs to provide transparent and accurate financial reports as a condition for receiving funding. Financial reporting practices typically carry information and are shown in the income statement or statement of performance, statement of position, cash flow statement, funding sources, and statement of disclosure. Hence, this study investigated the impact of computerization on financial reporting practices of the six registered international non-governmental organizations in Ghana. The study used a correlational research design and applied bivariate analysis in SPSS version 23 on self-constructed questionnaires with Cronbach's Alpha of 0.78 for computerization and 0.82 for financial reporting practices. The results of the study showed that there is a highly significant positive relationship between computerization and financial reporting practices ($r = 0.851$, $p = 0.032$). The study confirmed that most of the international non-governmental organizations in Ghana consistently receiving funding due to the proper computerization systems they have, which have aided the financial reporting practices that funders require. The study recommends that local non-governmental organizations computerize their accounting and financial reporting processes

2.2.3 Regular Financial Reporting and Grant Project Performance

According to Salawu & Bolatitio, (2023) did a study by examining the relationship between accounting systems, transparency, and financial accountability within non-governmental organizations (NGOs) in Gorkha district, Gandaki Province, Nepal. Using a quantitative approach and cross-sectional design, data were collected from 260 valid responses among board members, management committee members, and other stakeholders. The study employed statistical tools, including SPSS (version 23), to analyze correlations, factor analysis, and regression, establishing the association between accounting systems and financial accountability. Findings reveal a significant positive relationship between accounting systems and financial accountability, with transparency identified as a critical moderation variable.

Nevertheless, Frumkin (2021) expressed significant concerns about the state of accountability within non-governmental organizations (NGOs), particularly emphasizing the inadequacy of existing reporting frameworks and oversight mechanisms that are supposed to ensure transparency. McGann (2019) noted that the NGO sector is facing a significant crisis in transparency

and accountability, leading to a considerable decline in public and stakeholder trust. This ongoing crisis has contributed to several financial scandals, further damaging the credibility of these organizations, as emphasized in various reports published in 2023.

3. Methodology

This section presented the methods that the researcher used when carrying out the research. The researcher presented the research design, the study population, sample size and the data collection instrument, data analysis and liability and validity of information.

3.1 Research Design

This study used descriptive and correlational research design but also employed the mixed method in which both quantitative and qualitative approaches were used. The study dealt with significant elements impacting grant performance as resulting from accountability methods. Correlational design was utilized to examine the correlations between accountability and grant performance. Using these approaches, the research assessed how successful accountability affects project grant performance.

3.2 Study population and Sample size

For the purposes of this study, the target population consisted of 140 respondents associated with the grant projects in Rwanda, selected from various relevant categories, Donors(1 Programme manager, 1 M&E, 1 Operations manager, 1 Regional Coordinator), BoD (1 Secretary, 1 Treasurer, 3 Internal auditors) Community Facilitators (1 DAF, 3 Accountants), Project staff (17 Project officers, 13 Field officers and 4 Project coordinators) and 93 Community Facilitators.

In conclusion, while dealing with a small population of 140 people, researchers such as Tora (1976) have justified employing the complete population as a sample size for grounds of accuracy and feasibility. Sampling was done by selecting a subset from a larger population. The approach or strategy that the researcher plans to use in order to pick the sample is referred to as the sampling method. In this research, three sampling techniques were employed: stratified sampling and simple random sampling and purposive

3.3 Research Instruments

The questionnaire was distributed both in person and electronically to cover a substantial portion of the sampled population. This approach facilitated the collection of reliable information on accountability and project grant performance at ARCT Ruhuka. For the purpose of gaining responses and current practices, the documentary approach was involved

evaluating data related to regular budget monitoring, policies and procedures and regular financial reporting at ARCT Ruhuka grant project.

3.4 Data analysis

The study targeted top management of the bank. The collected data was fed into computer programs (using the statistical package for social sciences (SPSS) with the help of an expert) for easy analysis and interpretation of results. The data was analyzed using both descriptive and inferential statistical methods. The Pearson Correlation approach was used to assess relationship between the variables while regression model was used as a way of assessing role of financial accountability practices on the performance. Statistical analysis was used to explain the qualitative results of the survey. The algebraic expression of the regression model took the following form.

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$$

Where

- Y = Performance
- α = Model Constant
- β_1 = Model Coefficients
- e = Error Term (unknown random error assumed as normally distributed)
- X₁ = Regular Budget Monitoring
- X₂ = Policies and Procedures
- X₃ = Regular Financial Reporting

3.5 Ethical Consideration

In this study, the researcher took several steps to uphold ethical standards. Data was anonymized by assigning unique codes to respondents, ensuring their identities are protected. Personal identifiers were not being requested during interviews unless absolutely necessary. Prior to data collection, the researcher obtained ethical approval from the University of Kigali’s ethics review board by submitting the research project for review and approval, ensuring that all ethical concerns were addressed. Furthermore, the researcher prioritized the psychological well-being of respondents, avoiding any distress or harm during interviews or data collection, ensuring the research process remains ethical and respectful.

4. Results and Discussion

This section presents research results, discusses and interprets responses acquired from respondents. Statistical Package for Social Sciences was helpful in presenting and interpreting information. The section presents findings in accordance with specific objectives of the study.

4.1 Questionnaire Response Rate

The response rate of the study is indicated in Table 1.

Table 1 Response Rate

Results	Frequency	Percentage
Respondents	128	91.73
Non-Respondent	12	8.27
Total	140	100.00

Source: Primary Data (2025)

The study findings presented in Table 1 demonstrated the research administered 140 questionnaires to respondents. However, out of 140 questionnaires, only 128 were filled out properly and returned to the researcher, giving 91.73 % response rate. In comparison with the observation of Kamaruddin & Auzair, (2023), where the response rate was 88.57% because out of 145 questionnaires distributed to respondents, only 128 were filled property and returned to the researcher. This rate was relevant and enough to analyze and interpret information gathered from the respondents. Therefore, 08.27% of questionnaires which were not filled property and returned to respondents were associated with unavoidable circumstances such as recurring medical conditions, family emergencies and maternity leave.

4.2 Inferential Statistics

4.2.1 Correlation Matrix Results (Correlation between variables)

The correlation matrix table indicates correlation coefficient between variables. Therefore, each cell in the table demonstrates the correlation between two variables, each random variable (Xi) in the table is associated with each of the other values in the table (Xj). Correlation measures the degree and direction of association between two variables. It is important for researchers to understand that correlation can be either positive or negative. Results demonstrate the correlation matrix in Table 2.

Table 2: Shows Correlation Matrix

		Budget Monitoring (X ₁)	Policies and Procedures (X ₂)	Financial Reporting (X ₃)	Grant Performance of NGOs
Budget Monitoring (X ₁)	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	128			
Policies and Procedures (X ₂)	Pearson Correlation	.966**	1		
	Sig. (2-tailed)	.000			
	N	128	128		
Financial Reporting (X ₃)	Pearson Correlation	.933**	.957**	1	
	Sig. (2-tailed)	.000	.000		
	N	128	128	128	
Grant Performance of NGOs	Pearson Correlation	.906**	.915**	.931**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	128	128	128	128

Source: Survey Data, March, (2025)

The research findings indicate that there is a very strong correlation between budget monitoring and grant performance of ARCT Ruhuka's programs as Pearson correlation is 0.924** with the *p-value* 0.000, which is < than standard significance level of 0.05. This means that out of the taken other factors influencing grant performance of non-governmental organisations in Rwanda, only budget monitoring has significant and positive impact on grant performance of ARCT Ruhuka's programs.

The results demonstrated that there is a very strong correlation between policies and procedures and grant performance of ARCT Ruhuka as Pearson correlation is 0.933. The *p-value* was 0.000 that was < standard significance degree of 0.05. This implies that, when ignore other factors affecting grant performance of non-governmental organisations in Rwanda, only policies and procedures have significant influence on performance of ARCT Ruhuka's programs.

As reflected in Table 2, the study demonstrated a strong relationship between financial reporting and grant performance of ARCT Ruhuka as Pearson correlation was 0.576** with a *p-value* of 0.000, since the *p* value was <0.05. It implies that a part from other variables that may affect performance of non-governmental organisations in Rwanda, only less financial reporting had significant relationship with grant performance of ARCT Ruhuka's programmes. Based on the Pearson correlation coefficient of 0.576 and a *p-value* of 0.000,

study can assert that there is a statistically significant moderate positive relationship between financial reporting and grant performance for ARCT Ruhuka's programmes in Rwanda. This means that NGOs may prioritize improving their financial reporting practices as it directly impacts their ability to secure funding and perform their programs effectively.

4.2.2 Joint Model: Financial Reporting Practices and Grant Performance of Non-Governmental Organisations in Rwanda

A multiple regression analysis was carried out to examine statistical effect of financial reporting practices and grant performance of Non-Governmental Organisations in Rwanda utilizing regression formula as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3$$

Independent variable (X₁-X₂) using budget monitoring, policies and procedures and financial reporting.

4.2.2.1 Testing H₀:

There is no statistical effect of financial reporting practices and grant performance of Non-Governmental Organisations in Rwanda

Table 3: Model Summary

Model	R	R Square	Adjusted Square	Std. Error of the Estimate
1	.964 ^a	.930	.927	.26970

a. Predictors: (Constant), Budget Monitoring, Policies & Procedures and Financial Reporting

Table 3 shows the value of R Square was 0.930 implying that the proportion of grant performance of Non-Governmental Organisations is explained by financial reporting practices at 93.0%. This demonstrated that the model is very strong as the independent variable

describes the dependent variable. The adjusted R-Square is adopted to reward for more variable in the model. In this regard, the adjusted Square was 92.7% for grant performance of Non-Governmental Organisations in Rwanda.

Table 4: Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	118.440	3	23.817	327.428	.000 ^b
	Residual	8.393	124	.073		
	Total	126.833	127			

a. Dependent Variable: Grant Performance

b. Predictors: (Constant), Budget Monitoring, Policies & Procedures and Financial Reporting.

Basing on ANOVA Table 4, *p-value* was 0.000 that was <0.05 and fit the significance level of 327.428. This means that there is no significance effect of financial reporting practices on the grant performance of Non-Governmental Organisations in Rwanda, was rejected

and goes by other anticipation that means that financial reporting practices impact the grant performance organisations in Rwanda in terms of budget monitoring, policies & procedures and financial reporting.

Table 5: Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-.252	.202		-1.249	.216
Budget Monitoring	.486	.061	.473	7.946	.000
Policies & Procedures		.078			
	.609		.510	7.775	.000
Financial Reporting		.053			
	.041		.030	.768	.445

a. Dependent Variable: Grant Performance

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3$$

Y= Grant Performance of Organisation
 α = Constant

$\epsilon_{(1-3)}$ =Error

$\beta_{(1-3)}$ =Coefficient of the Disbursement

X_1 = Budget Monitoring

X_2 = Policies & Procedures

X_3 = Financial Reporting

$Y = -.252 + .486$ (Budget Monitoring) + $.609$ (Policies & Procedures) + $.041$ (Financial Reporting) + 0.983

The multiple regression equation demonstrates that grant performance of Non-Governmental Organisations in Rwanda would usually rely on a constant factor of -.252 irrespective of existence of other factors. The other variables show that every unit improvement in policies and procedures would increase grant performance of organisation most by a factor of .609, followed by unit change Budget Monitoring by a factor of .486 and lastly Financial Reporting by .041. This indicates that proper practice of policies & procedures in the organisation projects will increase most grant performance compared to other variables. The model suggests that effective Budget Monitoring and well-defined Policies & Procedures significantly contribute to improving the outcome represented by Y, while Financial Reporting has a relatively minor impact on this outcome compared to the other two factors considered in this analysis. However, the model explains that regardless of all variables the organisation needs more effort to operate to achieve the grant performance to the factor -.252. The model indicates that an organization must exert additional effort to counteract a negative influence on grant performance quantified by a factor of -.252. This underscores the importance of proactive measures in operational strategies to enhance overall effectiveness in achieving grant-related objectives.

Basing on Coefficients Table 5, *p-value* was 0.000 that was < 0.05 , confirmed that the hypothesis stated that there is no statistically significant relationship among budget monitoring, policies & procedures towards grant performance of non-governmental organisations in Rwanda, were rejected and goes by the alternative hypothesis, which states that the two independent variables influence grant performance of non-governmental organisations in Rwanda in terms of improved budget utilization, engagement rates, achievement of targets and increased number of individuals served.

Furthermore, on Coefficients Table 5, *the p-value* is .445 which is greater than the 0.05, set as standard significance levels. This means that null hypothesis stated that there is no statistical significant relationship of between financial reporting and grant performance of the non-governmental organisations in Rwanda, was accepted (fail to reject H_0) and reject the alternative hypothesis, which states that the independent variable doesn't influence grant performance of non-governmental organisations in Rwanda in terms of improved budget utilization, engagement rates, achievement of targets and increased number of individuals served. Based on this analysis, it can be concluded that financial reporting does not have a statistically significant influence on grant performance metrics such as improved budget utilization, engagement rates, achievement of targets, and increased number of individuals served.

5. Conclusion and Recommendations

5.1 Conclusion

This research asserts that adopting adequate financial accountability practices specifically, implementing clear policies and procedures, conducting regular budget monitoring, and ensuring consistent financial reporting significantly enhance grant performance. Improvements are likely to be seen in areas such as budget utilization, stakeholder engagement, achievement of project targets, and the number of individuals served. The study concluded that effective budget monitoring at ARCT Ruhuka played a crucial role in achieving project goals and objectives. Regular budget reviews contributed to the cost-efficiency of grant-funded projects at the organization. Survey findings also indicated a positive correlation between the implementation of sound policies and procedures and improved budget utilization, higher engagement rates, better target achievement, and a greater number of beneficiaries reached within projects in Rwanda.

5.2 Recommendations

The researcher suggested the following recommendations:

1. Management should put regular budget monitoring that improves financial responsibility and ensures effective project delivery.
2. Management should regularly track the organization's real income and spending during the budget period.
3. Management should have frequent budget monitoring, which influences the achievement of project goals and objectives.

5.3 Suggestion for further research

Based on concluding remarks and limitations from the present study, the researcher proposes further studies and scholars to conduct a research on impact of budget monitoring on economic development in rural areas in Rwanda. The research could be undertaken in several district and administrative sectors with the intention to make compare and contrast with previous studies. Therefore, propositions have been addressed towards policies and procedures and the success of infrastructural project in rural areas.

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