



**UGANDA MANAGEMENT INSTITUTE**

**FINANCIAL ACCOUNTABILITY AND HUMANITARIAN WORK OF  
NON-GOVERNMENTAL ORGANIZATIONS (NGOs) IN UGANDA:  
A CASE STUDY OF UGANDA RED CROSS SOCIETY,  
MBALE REGION**

**BY**

**SYLVIVIOR BIRUNGI**

**10/MMSFM/21/123**

**A DISSERTATION SUBMITTED TO THE HIGHER DEGREES DEPARTMENT IN  
PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD  
OF A MASTER'S DEGREE IN MANAGEMENT STUDIES  
(FINANCIAL MANAGEMENT) OF UGANDA  
MANAGEMENT INSTITUTE**

**FEBRUARY 2012**

**DECLARATION**

I, Sylivior Birungi (10/MMSFM/21/123) declare that the work presented in this dissertation has never been submitted for a degree in this or any other institution of higher learning. All the work contained herein is original unless otherwise stated.

SYLIVIOR BIRUNGI

Signed:.....

Date:.....

## **APPROVAL**

This dissertation is submitted under the supervision and approval of:

1. Mr. Paddy Mugambe

Signature \_\_\_\_\_ Date \_\_\_\_\_

2. Dr. David Onen

Signature \_\_\_\_\_ Date \_\_\_\_\_

## **DEDICATION**

This piece of work is dedicated to all members of my family.

## **ACKNOWLEDGEMENT**

I thank the Lord Almighty who enabled me to write this report. I also wish to express my sincere thanks and appreciation to various individuals for their assistance in the course of conducting this study. I am particularly indebted to my supervisors; Mr. Paddy Mugambe and Dr. David Onen for their consistent academic guidance. Their professional advice was helpful throughout the course of this research.

My indebtedness further goes to my friends without whose invaluable support, my endeavors would have been fruitless. Many thanks also go to my lecturers and course mates for providing an enabling atmosphere to complete the course. The local community members affected by disaster in Mbale region and URCS staff were cooperative in providing information for this research. I thank them very much.

Sincere gratitude and appreciation go to my parents, husband and children, who tolerated the inconveniences I caused them in one way or another. These contributed enormously to my academic success.

## TABLE OF CONTENTS

DECLARATION .....	ii
APPROVAL.....	iii
DEDICATION .....	iv
ACKNOWLEDGEMENT .....	v
TABLE OF CONTENTS.....	vi
LIST OF TABLES .....	ix
LIST OF FIGURES .....	x
LIST OF ABBREVIATIONS .....	xi
ABSTRACT.....	xii
CHAPTER ONE: INTRODUCTION .....	1
1.1 Introduction .....	1
1.2 Background to the study.....	1
1.3 Statement of the Problem.....	5
1.4 Purpose of the Study .....	6
1.5 Specific objectives .....	6
1.6 Research questions .....	7
1.7 Null Hypotheses.....	7
1.8 Conceptual framework.....	7
1.9 Significance of the Study .....	9
1.10 Justification of the Study.....	10
1.11 Scope .....	11
1.12 Operational definitions.....	11
1.13 Conclusion .....	12
CHAPTER TWO: LITERATURE REVIEW .....	13
2.1 Introduction .....	13
2.2 Theoretical Framework .....	13
2.3 Budget Planning and the Execution of Humanitarian work.....	16

2.4 Internal Controls and the Execution of Humanitarian Work .....	19
2.5 Financial Record keeping and the Execution of Humanitarian Work .....	24
2.6 Conclusion .....	26
CHAPTER THREE: METHODOLOGY .....	27
3.1 Introduction .....	27
3.2 Research Design.....	27
3.3 Study Population .....	28
3.4 Sample size.....	28
3.5 Sampling strategies .....	29
3.6 Data Collection Methods .....	30
3.7 Data collection instruments.....	31
3.8 Data quality control.....	32
3.8.1 Validity.....	32
3.8.2 Reliability.....	32
3.9 Data analysis .....	33
3.10 Measurement of Variables .....	33
3.11 Conclusion .....	34
CHAPTER FOUR: PRESENTATION, ANALYSIS AND INTERPRETATION OF RESULTS .....	35
4.1 Introduction .....	35
4.1.2 Background characteristics of respondents.....	36
4.2 The Effect of Budget Planning on the Execution of Humanitarian Work by URCS.....	41
4.3 The Effect of Internal Controls on the Execution of Humanitarian Work by URCS .....	51
4.4 The Effect of Financial Record keeping on the Execution of Humanitarian work by URCS .....	57
4.5 Conclusion .....	64
CHAPTER FIVE: SUMMARY, DISCUSSION, CONCLUSION AND RECOMMENDATIONS .....	65

5.1 Introduction .....	65
5.2 Summary of Findings .....	65
5.3 Discussion of Findings .....	67
5.4 Conclusions .....	74
5.5 Recommendations .....	75
5.6 Limitations of the Study .....	77
5.7 Contributions of the study .....	78
5.8 Areas for further study .....	79
REFERENCES .....	80
APPENDIX A: SPSS OUTPUT FOR STAFF QUESTIONNAIRE .....	86
APPENDIX B: SPSS OUTPUT FOR THE HOUSEHOLD QUESTIONNAIRE .....	105
APPENDIX C: RELIABILITY AND CVI CALCULATIONS .....	113
APPENDIX D: QUESTIONNAIRE FOR URCS STAFF .....	114
APPENDIX E: QUESTIONNAIRE FOR HOUSEHOLDS AFFECTED BY DISASTER IN MBALE REGION .....	119
APPENDIX F: INTERVIEW GUIDE FOR URCS BRANCH COORDINATOR .....	122
APPENDIX G: INTERVIEW GUIDE FOR LOCAL LEADERS .....	123
APPENDIX H: INTRODUCTORY LETTER	



## LIST OF TABLES

Table 3.1: Categories of Respondents that Participated in the Study .....	29
Table 4.1: Response Rate.....	36
Table 4.2: Gender Distribution of Respondents.....	37
Table 4.3: Distribution of Respondents by Level of Education.....	38
Table 4.4: Descriptive Statistics on Respondent views over Budget Planning in URCS .....	41
Table 4.5: Distribution of Humanitarian Assistance from URCS during the previous .....	45
Disasters (n=131) .....	45
Table 4.6: Money spent by URCS on Disaster Management in Mbale District (2008-2010) 45	
Table 4.7: Nature of Humanitarian Assistance got by Victims of Landslide and Flood .....	46
Disasters in Mbale District (n=131).....	46
Table 4.8: Challenges to Effective Budget Planning by URCS (n=32).....	49
Table 4.9: Pearson Correlation Index showing the Effect of Budget Planning on Execution of Humanitarian Work.....	50
Table 4.10: URCS Staff Responses about Internal Controls in URCS (n=32).....	51
Table 4.11: Challenges to URCS Internal Controls .....	55
Table 4.12: Pearson Correlation Index showing the Effect of Internal Controls on Humanitarian Work (n=32).....	56
Table 4.13: URCS Staff Responses about Record Keeping in URCS (n=32).....	58
Table 4.14: Records of Humanitarian Assistance received by the Community (n=131) .....	61
Table 4.15: Pearson Correlation showing the effect of Financial Record Keeping on Humanitarian Work (n=32).....	62
Table 4.16: Challenges of Record Keeping by URCS (n=32).....	63

## LIST OF FIGURES

Figure 1.1: A conceptual Model showing the Relationship between Financial Accountability and Execution of Humanitarian Work of NGOs.....	8
Figure 4.1: Age Distribution of URCS Staff Respondents (n=32) .....	38
Figure 4.2: Distribution of URCS Staff Respondents by Working Experience (n=32).....	40
Figure 4.3: Distribution of Community Member Respondents by Occupation (n=131) .....	40

## **LIST OF ABBREVIATIONS**

ALPS	Accountability Learning and Planning System
CVI	Content Validity Index
ICs	Internal Controls
NGOs	Non-Governmental Organizations
OSANGO	Organizational Self-Analysis for NGOs
SPSS	Statistical Package for Social Scientists
UGX	Uganda Shillings
URCS	Uganda Red Cross Society

## **ABSTRACT**

The main objective of the study was to assess the effect of financial accountability on the execution of humanitarian work by the Uganda Red Cross Society in Mbale district. The study was motivated by increased accountability queries for URCS staff dealing in humanitarian operations. Consequently, the study was conducted in 6 villages affected by landslide and flood disasters. Specifically, the study sought to establish the effect of budget planning, internal controls and record keeping on the execution of humanitarian work by the Uganda Red Cross Society. During the study, a total of 174 respondents participated in the study. A case study research design was used and primary data were collected by questionnaires. Data collected were analyzed both qualitatively and quantitatively. Descriptive and inferential statistics were used in the analysis. Research findings revealed a positive effect of budget planning on execution of humanitarian work by URCS. In addition, a positive relationship between internal controls and execution of humanitarian work was found to exist implying that internal controls had a positive effect on execution of humanitarian work by URCS. Likewise, record keeping had a positive effect on execution of humanitarian work implying that record keeping facilitated execution of humanitarian work by URCS. The study concluded that financial accountability had a positive effect on execution of humanitarian work in Mbale district. In order to improve accountability and offer efficient humanitarian assistance to populations affected by disaster, the study recommended staff training in use of advanced technology in form of computerized record keeping and accounting systems; involving local leaders in assessment of victims for assistance and distribution of assistance. In addition, there was need to increase committed and skilled staff especially in the accounts department to prepare them for the challenging task of financial management and adapting effective mechanisms of accountability enforcement like fines, warnings and suspensions.

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Introduction**

World over, the importance of accountability in any human endeavour does not need to be overemphasized. The need for accountability is more critical for those organizations that expect support of any kind from other parties. The case of non-governmental organizations (NGOs) like Uganda Red Cross Society is not any exception. NGO financial accountability is viewed as channels for ascertaining how resources are used by the organization that has been entrusted with the task of performing prescribed activities. As the independent variable, this study measured financial accountability in accordance with Rabrenovic (2009) accountability variables of budget planning, internal controls and record keeping. Execution of humanitarian work - the dependent variable was studied in terms of distribution of essential household items, food distribution, relocation of people, sensitization on possible dangers, providing psychosocial support to the affected family, provision of medical care and education to the affected populations. This introductory chapter therefore, presents the background to the study, the statement of the problem, the purpose and objectives of the study, research questions, null hypotheses, conceptual framework, significance, justification, scope and operational definitions of study concepts.

#### **1.2 Background to the study**

While the modern humanitarian movement began more than a hundred and fifty years ago, the discussion of the accountability of humanitarian organizations is only about three decades old (Active Learning Network for Accountability and Performance, 2002). Accountability comes

into the world of humanitarian organisations for several different reasons. First, openness to this kind of “professional” language grows in the first instance out of the rationalisation and institutionalisation of humanitarian organizations that are embedded within wider processes of globalization (Ebrahim, 2003). Along with organisations in the private and public sectors, organisations operating in humanitarian space increasingly need specialized training and skills, specialists in human resources, business and finance officers, and all the other attributes of large and complex organisations that deliver services through global supply chains.

Secondly, the growth of humanitarian organizations and the demand for accountability cannot be separated from the withdrawal of states in an era of globalization (Fowler, 2002). Emergency assistance is channeled almost exclusively through humanitarian organizations. States have withdrawn from “service delivery” and have become “donors,” either directly through national development agencies that fund their “own” nationally headquartered non-governmental agencies or through their funding of international agencies that, in turn, support humanitarian organizations (Fowler, 2002). But all stakeholders expect NGOs to provide up-to-date accountability of the resources that are provided to them for humanitarian assistance. Besides, concerns about accountability in NGOs have increased over the past two decades due in part to a series of highly publicized scandals that have eroded public confidence in non-profit organizations, coupled with a rapid growth in NGOs around the world (Alnoor, 2003).

Financial accountability is about responsible stewardship for the use of public money. Verheijen and Millar (1998) define financial accountability as a means of ensuring that public money has been used in a responsible and productive way. It is about verification of legality and regularity of financial accounts, but also about making sure that value for money has been

achieved in the use of resources. This new idea about accountability was developed in the last decades of the 20th century and the first decade of the new millennium and is about the responsibility and trustworthiness of officials and agencies, ways to minimize abuse of power and authority, and strategies to ensure that those in authority comply to acceptable standards, and can be sanctioned whenever necessary (Ayeni, 2004). It is the idea behind what is now called public accountability that public bodies are accountable to the public for not wasting the taxpayers' money, for being economical, efficient, achieving the goals and being effective in the long run. In this study, financial accountability was measured by budget planning, internal controls and record keeping. URCS is accountable to the recipients, donors, partners and Government of Uganda for self-correcting management and the continuous improvement of the quality of life of the most vulnerable people in Uganda (URCS, 2008).

The study was guided by the Network theory by Evan Willswit (1966). It was developed to describe interactions between people across organizations, who aim to create networks for getting things done through proper accountability. It is the idea behind what is now called public accountability that public bodies are accountable to the public for not wasting the taxpayers' money, for being economical, efficient, achieving the goals and being effective in the long run. To create a network is seen rather as a simple task; it is just to identify people, who could be helpful in the process of trying to achieve expected objectives and after this to establish their reliability, and then actively seek their cooperation. Literature on this subject shows that a similar function i.e. "get things done in organization" is involved in creating alliances i.e., "getting agreement on a course of action with other people and joining forces to get things done" (Armstrong, 2006: 301).

The humanitarian sector is itself “a network of international, national, and local organizations that respond collectively to humanitarian needs by providing assistance and protection to save life, reduce suffering, and preserve or re-establish the livelihoods of the affected populations” (ALNAP, 2002). In this study, humanitarian work focused on distribution of essential household items, food distribution, relocation of people, sensitization on possible dangers, providing psychosocial support to the affected family, provision of medical care and education. Despite this, many within the humanitarian community have pointed to the shortcomings of humanitarian assistance, to its damaging consequences, to the disruption of local societies and economies, to its capacity to break the social contract on the ground, to the tendency to concentrate on the highly visible emergencies that will “sell in the humanitarian marketplace,” and ignore the less visible, the long-lasting, the more difficult to reach (Rieff, 2002; Terry, 2002).

Humanitarians struggle with multiple accountabilities (Stein, 2007). Accountabilities to funders, national and international, are the easiest to trace, in part because donors increasingly make their demands explicit. The capacity of humanitarian organizations, working in a sharply skewed marketplace, to shape the terms of the accountability discussion are often very limited (Cooley, 2004). Many humanitarian organisations receive the bulk of their funding from one or two large funders. Functioning as agents, they constantly struggle to enlarge their space for action while their principals seek to narrow their space to ensure that, as agents, they serve their principals purposes. Despite this, humanitarians assert strongly that they are accountable not only to their funders and donors but to the people that they help and that this accountability takes precedence over all others (Stein, 2007). Yet the study by OCHA in Darfur found little participation by beneficiaries of assistance in the management of issues



that were of immediate and direct relevance to them (2005:11). Another way of framing that evaluation is that humanitarian organisations were demonstrating little accountability to the people on the ground that they were trying to help. Consequently, attention to NGO accountability has been promoted by those who appear to want to undermine the objectives of these organizations, or in response to particular scandals (Bendell, 2006). Although billions of dollars flow through humanitarian organizations annually, very little prior empirical research has addressed the nature of financial accountability actually in place in humanitarian NGOs. Consequently, there is need to assess the role of financial accountability in the provision of humanitarian work by NGOs like Uganda Red Cross Society in its effort to provide essential household items, food distribution, relocation of people, sensitization on possible dangers, providing psychosocial support to the affected family, provision of medical care and education to the affected populations in Mbale region.

### **1.3 Statement of the Problem**

NGO financial accountability is viewed as channels for ascertaining how resources are used by the organization that has been entrusted with the task of performing prescribed activities. Despite this, NGO accountability has become a pressing issue in the study of developmental and humanitarian NGOs (Alnoor, 2003). NGOs are no longer seen as “a magic bullet” by their stakeholders and host governments. URCS (2008) indicates that the URCS is accountable to recipients, partners and Government of Uganda. Despite this, the Central Governing Board meeting (June 2007) revealed that there were many cases of late submission of accountabilities for funds amounting to UGX. 284,570,379 (Two hundred and eighty four million, five hundred and seventy thousand three hundred and seventy nine) by branches and UGX. 72,902,463 (Seventy two million nine hundred and two thousand four hundred and

sixty three) by staff. It is not clear if accountability procedures like submission of documents like receipts and lists of participants are complicated to follow or if staff have too much work load. Although there was a reduction in outstanding accountabilities amounting to UGX. 470,000,000 (Four hundred and seventy million) in 2005 to UGX. 183,636,123 (One hundred and eighty three million six hundred and thirty six thousand, one hundred and twenty three) in 2008, the effect of financial accountability on execution of humanitarian work by URCS has not been assessed. If this is left unattended to, it may lead to a reduction in donor funding and consequently organizational failure to distribute essential household items, food, relocate people, provide psychosocial support to the affected people, provide medical care and education to populations affected by disasters.

#### **1.4 Purpose of the Study**

The purpose of the study was to assess the effect of financial accountability (budget planning, internal controls and record keeping) on the execution of humanitarian work by the Uganda Red Cross Society using Mbale district as a case study.

#### **1.5 Specific objectives**

The study aimed to achieve the following specific objectives:

1. To assess the effect of budget planning on the execution of humanitarian work by URCS.
2. To examine the effect of internal controls on the execution of humanitarian work by URCS.
3. To examine the effect of financial record keeping on the execution of humanitarian work by URCS.

## **1.6 Research questions**

This study was guided by the following research questions:

1. What is the effect of budget planning on the execution of humanitarian work by URCS?
2. How do internal controls affect the execution of humanitarian work by URCS?
3. What is the effect of financial record keeping on the execution of humanitarian work by URCS?

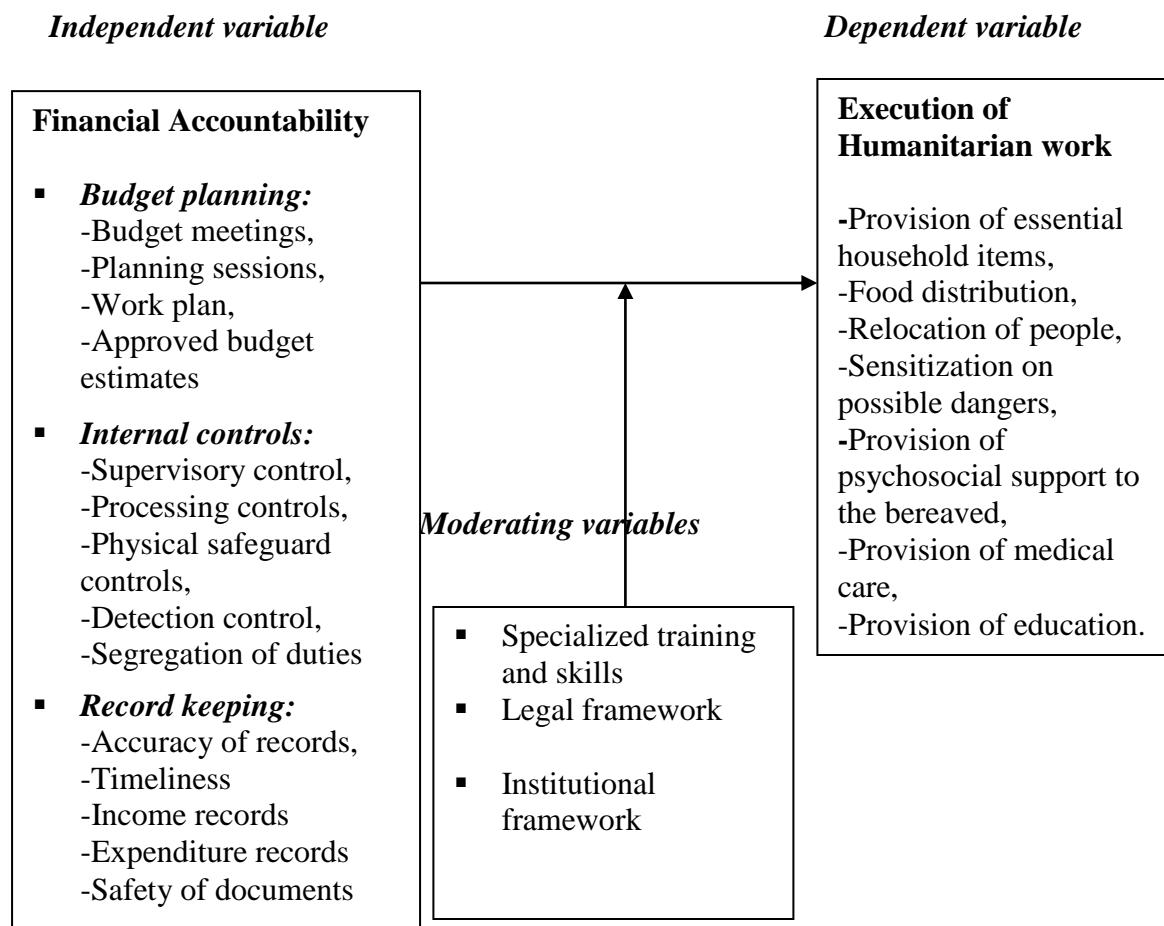
## **1.7 Null Hypotheses**

This study tested the following null hypotheses:

- a) Budget planning has no significant effect on the execution of humanitarian work by URCS
- b) Internal controls do not affect the execution of humanitarian work by URCS
- c) Financial record keeping does not significantly affect the execution of humanitarian work by URCS.

## **1.8 Conceptual framework**

In this study, the independent variable was financial accountability while the dependent variable was execution of humanitarian work of URCS as illustrated in Figure 1.1.



**Figure 1.1: A conceptual Model showing the Relationship between Financial Accountability and Execution of Humanitarian Work of NGOs**

*Adapted from: URCS (2008) with modifications by the Researcher.*

The conceptual framework presented in Figure 1.1 above shows that financial accountability was the independent variable while the dependent variable was execution of humanitarian work. The study assumed that execution of humanitarian work depends on financial accountability if moderating variables (specialized training and skills, legal and institutional framework) are controlled. Financial accountability was measured by budget planning, internal controls and record keeping while execution of humanitarian work focused on provision of essential household items, food distribution, relocation of people, sensitization on

possible dangers, providing psychosocial support to the affected families, provision of medical care and education. The interrelationship between the above variables helped to assess the contribution of financial accountability to execution of humanitarian work by the Uganda Red Cross Society, using Mbale District as a case study.

### **1.9 Significance of the Study**

This study is expected to be useful in the following ways; Given the fact disasters like floods, landslides and fires have been rampant of recent times, the findings of this study will provide information to policy makers in clarifying the contribution of NGOs in provision of humanitarian assistance. The study may lead the Ministry of Disaster Preparedness and development partners to determine the extent to which NGOs could be involved in provision of humanitarian assistance.

The study may inform communities about their role in distribution of essential household items, food distribution, relocation of people, sensitization on possible dangers, providing psychosocial support to the affected family, provision of medical care and education to populations affected by disasters. Consequently, it is expected that community members will be more vigilant and take keen interest to develop projects that enhance resilience to disasters.

The study findings may also benefit academicians, researchers and policy makers by providing literature on the role of financial accountability on provision of humanitarian work by NGOs. Besides, this study may lead the researcher to the fulfillment of the requirements for the award of a Masters degree in management studies (financial management) of Uganda Management Institute.

Finally, the study may be useful to District Local Governments affected by disasters in guiding interventions of development partners to benefit victims of disasters.

### **1.10 Justification of the Study**

Several studies have been conducted on financial accountability in NGOs (Alnoor, 2003; Chisholm, 1995) but there is scarcity of information about the contribution of financial accountability to execution of humanitarian work by the Uganda Red Cross Society. While Alnoor (2003) centered his research on accountability in practice mechanisms for NGOs in Great Britain, his research was carried out in a developed country context and did not specifically look into the effect of budget planning, record keeping and internal controls on humanitarian work. Besides, Chisholm (1995) focused on accountability of non-profit organizations and their legal framework in India.

Though some aspects on financial accountability were reported in the studies above, the current study may assess the contribution of financial accountability to the execution of humanitarian work by the Uganda Red Cross Society which is not yet documented. Consequently, the final report has highlighted the contribution of financial accountability to execution of humanitarian work (distribution of essential household items, food distribution, relocation of people, sensitization on possible dangers, providing psychosocial support to the affected family, provision of medical care and education to populations affected by disasters) by the Uganda Red Cross Society.

### **1.11 Scope**

The study was carried out in six selected villages (Nametsi, Tunwatsi, Matsakhana, Marakalu, Nakoyonzo and Murwerwe) that were affected by landslides and floods in Mbale region. The respondents included URCS staff at the head office and Mbale office, community members affected by landslide and flood disasters and local leaders in Mbale district. Mbale region was selected for study because it had experienced two disasters in a short spell of time (landslides and floods) that required an investigation into the financial accountability of staff that were involved in provision of humanitarian assistance. The conceptual coverage of the study focused on establishing the effect of budget planning, internal controls and record keeping on the execution of humanitarian work by the Uganda Red Cross Society. The time frame was four years ranging from 2007 to 2010. The year 2007 was selected because it involved many accountability challenges while 2010 had many disasters including school fires, floods and landslides.

### **1.12 Operational definitions**

**Humanitarian work:** Humanitarian work is the material and logistical assistance to save lives, alleviate suffering, and maintain human dignity in response to humanitarian crises (Rieff, 2002). In this study, humanitarian work involved distribution of essential household items, food distribution, relocation of people, sensitization on possible dangers, providing psychosocial support to the affected family, provision of medical care and education.

**Financial accountability:** Verheijen and Millar (1998) define financial accountability as a means of ensuring that public money has been used in a responsible and productive way. It is about verification of legality and regularity of financial accounts, but also about making sure

that value for money has been achieved in the use of resources. In this study, financial accountability was measured by budget planning, internal controls and record keeping (Rabrenovic, 2009).

**A budget** is a plan of how much income is expected during a given period of time (usually a year) and how the money will be used. Accurate and complete records of all financial transactions are needed to show how money has been used. Internal controls protect assets, protect treasurers, deter theft and help detect errors in the accounting records.

### **1.13 Conclusion**

The chapter under review emphasizes that the need for accountability is more critical for those organizations like Uganda Red Cross Society that expect support of any kind from other parties. The chapter has presented the background to the study, the statement of the problem, the purpose and objectives of the study, research questions, null hypotheses, conceptual framework, significance, justification, scope and operational definitions of study concepts. The proceeding chapter shows the literature related to the variables of this study.



## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter presents the theoretical framework and literature review about financial accountability and execution of humanitarian work by NGOs. The purpose of the review was to clarify the research problem and provide a theoretical basis for the study. Specifically, the literature was reviewed with reference to the major themes of the study, namely; budget planning and the execution of humanitarian work, internal controls and the execution of humanitarian work and, record keeping and the execution of humanitarian work. The chapter concludes with a summary of literature review highlighting the research gaps filled by the study. However, a theoretical framework is presented.

#### **2.2 Theoretical Framework**

This study was guided by the Network theory by Evan Willswit (1966). It was developed to describe interactions between people across organization, who aim to create networks for getting things done through proper accountability. It is the idea behind what is now called public accountability that public bodies are accountable to the public for not wasting the taxpayers' money, for being economical, efficient, achieving the goals and being effective in the long run. The first systematic studies about networks, networking and building coalitions in organization are from the end of 1950s and 1960s (Evan, 1966). To create a network is seen rather as a simple task; it is just to identify people, who could be helpful in the process of trying to achieve expected objectives and after this to establish their reliability, and then

actively seek their cooperation. Literature on this subject shows that a similar function i.e. “get things done in organization” is involved in creating alliances i.e., “getting agreement on a course of action with other people and joining forces to get things done” (Armstrong, 2006: 301).

According to this line of thinking, the varying performance of organizations inside a network or individuals inside an organization is based on the centrality, connectivity, the density, and the multiplexity of their relations in the network as a whole (De Vries, 2007). Embeddedness is created by either telling (establishing hierarchy) or talking (establishing social bonds) or both. This relation is generated by intermediary factors such as trust, incentive structures, resource dependence, network density, centrality, clustering, and multiplexity in the relations.

Especially in early phases of network development, unfamiliarity among the members can cause serious problems. This is the more the case, because a network poses itself as an enacted context for each of the participants and the context of this network is an additional layer restricting or enabling participants to act. The difficulties and adversities in the context of the network, which is itself a self-initiated context, make huge investments in the mutual relations necessary. Some researchers have examined “which conditions facilitate and constrain the formation of .... networking relation” (Provan & Kenis, 2007). An in-depth study, conducted by Doz (1996), presents a model, in which he shows “how specific initial conditions (task definition, partners’ routines, structure of the organizational interface, and actors’ expectations) facilitate or hamper partner learning (about the environment, tasks,

process, skills, goals)” (Kenis & Knoke, 2002: 8). If the environmental context does not value collaboration it is very hard to establish inter-organizational relationships and competition instead of cooperation can be the result.

As to the importance of *the developmental phase* of the network, Larsson (1992) identified three phases in networking relations: (1) a pre-working stage, in which the preconditions for network are decided, (2) establishment of network relations, and (3) the phase, in which the networking relations are solidified. Gray (1987) is talking about: (1) a problem-setting phase, in which potential partners identify their common interest, (2) a direction-setting phase, in which potential networking partners present their values to “develop a sense of common purpose, and finally (3) a structuring phase, in which the partners build and develop stricter by regulating mutual support towards their operative actions. Thus, the mentioned scholars identify the characteristic set of contingencies that facilitate and constrain for each phase and provide us with “a more detailed account of the conditions of network formations” (Kenis & Knoke, 2002: 7). Other studies of longitudinal character “provide evidence that once network relations are established, experience with networking, mutual learning, and diversity of ties stimulate the formation of *further* networking relationships” (Kenis & Knoke, 2002: 8). This study investigated financial accountability in the collaboration between URCS staff and victims of disaster in provision of humanitarian assistance, hence the suitability of the network theory in guiding the study.

### **2.3 Budget Planning and the Execution of Humanitarian work**

URCS (2008) defines a budget as a projection of anticipated income and expenditures for a given period and established on the basis of the plan of action. A budget is a plan of how much income is expected during a given period of time (usually a year) and how the money will be used (Rabrenovic, 2009). Every URCS project, program or operation must have a formally approved budget. The aim of a budget is to provide URCS with a financial management tool enabling assessment of the cost of an operation or program, the allocation of the appropriate resources to it and their most effective utilization. The Financial Procedural Manual for the URCS (2008) further notes that the budget provides the National Society with the means to measure the actual performance against the planned performance on a monthly, quarterly and year-to-date basis. It provides the information required to permit early corrective action to be taken where necessary. Good budgeting results in increased efficiency in the use of funds. Despite an outline of the uses of a budget, URCS financial manual does not highlight the contribution of budget planning to execution of humanitarian work by the Uganda Red Cross Society. This study intended to fill this information gap.

Meanwhile, Otley (1987) indicates that planning involves selecting objectives and action to achieve them. It is looking ahead and preparing for it, which likens it to budgeting. Through planning the organization is able to assess where it is supposed to be in terms of objectives and goals. Therefore, good planning is characterized by clear objectives. It must be simple and comprehensive. The plan should be well balanced and flexible so as to incorporate changes in the resources and should be time bound. Properly covered plans tell what, when and how something is to be done (Chandan, 1995).

According to Bhatia (1996), a persistent problem of budget planning in developing countries revolves around budget efficiency issues. This problem basically refers to how the limited public resources are effectively utilized to meet the priority needs of the country in an efficient and equitable manner. Thus, budget efficiency cuts across all stages of the budget process, namely, budget preparation, budget execution, and budget monitoring and reporting. Looked at from another angle, budget efficiency refers to how public resources are utilized by public institutions and public servants in delivering public services. It is obvious that with increasing budget constraints to accommodate growing demands for public resources the scrutiny on budget efficiency and value for money for URCS has become even more pronounced. This study assessed the effect of budget planning on execution of humanitarian work by URCS.

Arora (1995) revealed that planning as part of the budgeting system involves long range planning, strategic planning or corporate planning and short range planning. Long range planning is a systematic and formalized process for purposely directing and controlling future operations towards desired objectives for periods extending beyond one year.

Budget planning is the key to success in business and budgeting for planning to take place. Once not done properly the organization will not operate properly (Alnoor, 2003). The planning process ensures that managers do plan for future operations, and consider how conditions in the next year might change and what steps they should take now to respond to these changed conditions. This process encourages managers to anticipate problems before

they arise and hasty decisions that are made on the spur of the moment, based on expediency, rather than reasoned judgment (Drury, 1992).

For planning purposes, budgets are set in advance of the budget period based on an anticipated set of circumstances. The major planning decisions will already have been made as part of the long-term planning process (Selznick, 1988). However, the annual budgeting process leads to the refinement of those plans, since managers must produce detailed plans for the implementation of the long-range plan. Without the annual budgeting process, the pressures of daily operational problems may tempt managers not to plan for future operations (Scott, 1987). A budget is an important tool which co-ordinates various activities within a company. It is a plan of action for future periods of an organization (Drury, 1992).

Beneficiaries generally lack the power to make accountability demands of NGOs. As a result the accountability relationship with them is often weak. Rather than grounded in contract or law, NGOs accountability to their beneficiaries is shaped by moral and ethical imperatives. Because they claim to speak on their behalf, NGOs have a moral obligation to be accountable to their beneficiaries. This moral obligation is also supported by NGOs accountability to their values and mission which frequently reflect a strong belief in the virtues of inclusive and participatory decision-making. However a moral obligation provides significant scope for budget planning.

Consequently, Ebrahim (2003) concluded that NGO accountability is a complex issue. Organizations need to be accountable to many different sets of stakeholders which, separately and collectively, play an integral part in their operations:

- institutional donors provide funding;
- governments provide legal and regulatory frameworks;
- supporters provide their money and time;
- beneficiaries provide the basis for an organization's purpose and moral legitimacy.

A further complication is that each of these sets of stakeholders has a very different level of leverage and power over an NGO. As a result, the strength and clarity of their different accountability relationships vary greatly. The mechanisms for ensuring accountability between institutional donors and NGOs, for example, are generally strong because of contractual obligations and the dependence of NGOs on donor funds. Similarly, governments create the legal and regulatory environment within which NGOs function, so they too have significant leverage to guarantee accountability. Beneficiaries, on the other hand, despite being the reason why most NGOs exist, generally lack the power to make demands of them. Few organizations have institutionalized means for beneficiaries to make their opinions felt, and as a result the accountability relationship with them is often weak. It was not clear whether the financial accountability situation in URCS was any different, hence the need to undertake this study.

#### **2.4 Internal Controls and the Execution of Humanitarian Work**

Internal controls are financial processes and procedures that enable the organization to safeguard its assets (Coe and Ellis, 1991). Internal Control (IC) is broadly defined as a process designed to provide reasonable assurance regarding the achievement of specific objectives in

accountability, effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations (Committee of Sponsoring Organizations, 1992). The system of internal control consists of all measures employed by an organization to:

- safeguard assets from waste, fraud, and inefficient use;
- promote accuracy and reliability in the accounting records;
- encourage and measure compliance with company policies; and
- evaluate the efficiency of operations (Meigs *et al.*, 1982).

A system of internal control, therefore, consists of all measures taken by an organization to provide management with reasonable assurance that everything is functioning as it should (Duncan *et al.*, 1999). As such, it is an integral component of an organization's overall governance structure, which is intended to direct and control its activities by promoting transparency, accountability, responsibility, and fairness to all stakeholders.

The Financial Procedural Manual for the Uganda Red Cross Society (2008) defines internal control as a system of financial controls established by the management in order to carry out the business in an orderly and efficient manner, ensure adherence to management policies, safeguard the assets and secure as far as possible completeness and accuracy of the records. The Financial Procedural Manual further highlights the types of internal control utilized by URCS as: a) supervisory control to prevent errors which result from unauthorized or improperly authorized transactions; b) processing controls to prevent errors highlighting discrepancies before results are reported; c) physical safeguard controls relate to limiting



access to assets, records, forms and to processing areas and; d) detection control to prevent or identify errors and ensure they are corrected. Furthermore, segregation of duties in assignment of duties to the individual in such a way that no one individual can control all phases of processing of a transaction is another internal control measure (Uganda Red Cross Society, 2008).

As with for-profit entities, a nonprofit organization prepares and adopts documents such as articles of incorporation and bylaws that set forth the organization's basic mission, governance structure, and overall operating procedures. Most non-profit organizations establish a governing board, elect officers, and appoint various committees. These individuals are responsible for hiring a chief executive who directs the work of paid staff and volunteers in order to achieve the overall goals of the organization (Langan, 1998).

Unlike for-profit organizations, organizations doing humanitarian work are incorporated as non-stock entities where ownership rests with the members or supporters of the organization (Duncan et al., 1999). Several characteristics that are unique to humanitarian organizations affect the management control process. One of these unique characteristics is the absence of stock ownership. Managers might not consider themselves as accountable to donors as they would to owners. In addition, the absence of a single measure of overall performance such as net income creates a problem for managers of nonprofit entities like humanitarian organizations in evaluating the effectiveness and efficiency of the organization. Furthermore, humanitarian organizations are often managed by the professionals who provide the services offered by the organization. Traditionally, the educational background of these professionals

contains little or no training in business management or accounting (Arndt and McCabe, 1986). The governance of humanitarian organizations is vested in some type of governing board. Members of this board are often chosen for reasons other than their ability to exercise sound judgement about the management of the organization. The members of the board do not always know their responsibilities and are often insufficiently informed. Therefore, the decisions they make are not always optimal. All of these characteristics of nonprofit organizations indicate that an adequate system of internal control is vital for proper management of nonprofit organizations (Anthony and Young, 1994).

Consequently, several articles have appeared in the accounting literature stressing good financial management and proper internal controls in humanitarian organizations. These articles generally state that there is a general inadequacy of accounting systems by humanitarian organizations and suggest specific internal controls that should be in place (for example, Boyce, 1984). Other articles are simply “testimonials” of what accountants have done to help humanitarian organizations improve their accounting systems (for example, Harper and Harper, 1988).

Coe and Ellis (1991) conducted a study designed to identify common weaknesses in internal control in state, local and nonprofit agencies. They examined 127 cases in North Carolina in which state, local, and non-profit officials were prosecuted for financial crimes and reported the types of controls that were not in place or which broke down. They determined that 38.6 per cent of the crimes were the result of improper separation of duties, 12.6 per cent were the result of poor purchasing controls, and 11.8 per cent went undetected because no audit was

performed. While Coe and Ellis investigated internal control weaknesses in governmental agencies, very little empirical work has been conducted related to the existence of internal controls in humanitarian organizations.

Booth (1993) outlined the beginnings of a framework for research concerning accounting in humanitarian organizations. He identified an overall need for more research in this area and suggested that immediate gains could be obtained from comparative studies of accounting in mainstream humanitarian organizations. Booth's call for research in the area of humanitarian organizations accounting provides support for the present study, which examines the contribution of financial accountability to execution of humanitarian work by the Uganda Red Cross Society.

Rana (2004) observed that NGOs are taking responsibility for increasing their accountability through undertaking organisational self-assessments. These are assessments of stakeholder accountability undertaken internal to an organization that emerge from self-reflection and learning. The Centre for Youth Social Development in India for example, has recently developed a unique software programme called Organisational Self Analysis for NGOs (OSANGO) that enables NGOs to internally analyse how efficiently and effectively they are utilising resources in the pursuit of their mission (Lloyd, 2005). Using surveys it enables NGO's to gauge their strengths and weaknesses through internal self-reflection based on the views of internal and external stakeholders. Civil society organisations from South Africa, West Africa, Latin America, and South Asia worked jointly in developing the tool. Another example of organisational self-assessment is Action Aid's Accountability Learning and Planning System (ALPS). Borne of widespread frustration with internal bureaucracy and the

belief that those working on the ground were too focused on upward accountability to donors and sponsors, ALPS is an organizational strategy that prioritises the perspectives of the poor within all levels of ActionAid's operations with the principal goal of increasing downward accountability. Finally NGOs are also utilising social audits to take responsibility for their accountability. Initially developed by the NGO sector to gauge the impact of businesses' social and ethical performance, social audits are now also used within the non-profit sector to assess NGOs themselves. Social Audits gauge the extent to which organisations live up to their values through systematically and regularly monitoring their performance and the views of their stakeholders (Naidoo, 2004).

## **2.5 Financial Record keeping and the Execution of Humanitarian Work**

Following a good record keeping practice is beneficial for any organization (Pyper, 1996). Properly organized records provide a view of the present financial status of the organization. It also provides with information on all transactions made during past years like bills, receipts, statements, invoices and proof of payment which is useful in filing the returns and claiming tax deductions. Pyper (1996) further notes that maintaining records ensures proper documentation of all information pertaining to organization that employees or owners can readily access and help in increasing productivity. As far as this study was concerned, an attempt was made to find out if proper record keeping was done by the Uganda Red Cross Society and the extent to which it helped the organization to fulfill its mandate.

A study by Hermanson (2000) revealed that proper documentation done in record keeping provides information about all transactions done in last several years towards filing tax returns, expenses and purchases. Through record keeping one can get information on all

activities of an organization. In case of a business, the owner can judge whether the business is earning profits or going into losses. This information helps in future planning to decide where the funds need to be diverted, policy of organization regarding expenses and purchases. In line with the above, this study examined the effect financial record keeping on execution of humanitarian work by URCS.

Chisholm (1995) observes that records maintain information about all the transactions done by the business in the past several years. Records pertaining to financial, legal aspects of the organization provide access to old information which the owner can compare with present status. This helps the managers to judge the performance of business as to whether it is in profit or loss. This information can help to take key policy decisions which can take the organization out from losses. This information helps in organizational performance evaluation.

A complete financial history of the organization can be received through effective record keeping (Davies, 2001). As the promoters can get detailed information about transactions done in past, they can know about present profit and can even forecast future of business. Record keeping helps to correlate information on income, expenses, and other financial data which gives picture of how the organization is going to perform in future.

Ebrahim (2003) indicates that good record keeping ensures that all the transactions pertaining to finances of business, expenses, and purchases made are readily available at one place. The owner can effectively check the inflow and outflow of cash in the business. Cash inflows and

outflows are important factors in business management. The owner can prepare cash flow statement as information about how cash is received and spend is available through records. Thus record keeping allows good cash flow management by making owner aware when and where the cash needs will arise and arranging bankers and creditors to meet cash needs.

## **2.6 Conclusion**

From the foregoing literature, it has been made clear that there are scanty empirical studies that have assessed the effect of financial accountability on the execution of humanitarian work by NGOs particularly the Uganda Red Cross Society. Therefore, a research gap was evident in examining the effect of budget planning, internal controls and record keeping on the execution of humanitarian work by the Uganda Red Cross Society. This study has investigated and filled these research gaps. The next chapter gives a detailed methodology used in this study.

## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.1 Introduction**

This chapter presents the methodology that was used in the study. This includes research design, study population, sample size and selection, data collection methods, quality control, data analysis and measurement of variables.

#### **3.2 Research Design**

The study adopted a case study research design where data were collected from URCS staff and community members affected by disaster (landslides and floods) in Mbale District at one point in time. This research design was used because, in the first instance, the study focused on households affected by disaster in one geographical setting. According to Yin (2003) and Amin (2005), a case study design focuses on an investigation of one setting that has similar situation in other organizations. It is potentially the most valuable method known for obtaining true and comprehensive picture of a social unit, institution or community in order to understand the life cycle of that particular unit (Amin, 2005). Purposive and simple random sampling techniques were used to select study subjects while data were collected through questionnaire, key informant interviews and observation. The study used both qualitative and quantitative approaches. Creswell (2003) observes that qualitative approach is ideal method when a holistic and in-depth investigation is needed. On the other hand, the quantitative approach helped to describe current conditions or to investigate relationships including effects. This made both approaches relevant to the study.

### **3.3 Study Population**

The accessible population was 209 community members affected by landslide disaster in Nametsi (20), Tunwatsi (21), Matsakhana (22), Marakalu (27), Nakoyonzo (34) and Murwerwe (37) villages. Other respondents included 37 URCS staff involved in provision of humanitarian assistance, 04 accounts staff, one branch Coordinator for Mbale URCS office and 06 local council one leaders in Mbale district. Community members affected by landslide disaster were selected with the direction of local leaders. URCS staff on the other hand provided information about the effect budget planning, internal controls and record keeping on provision of humanitarian work.

### **3.4 Sample size**

A total of 174 respondents participated in the study. These included 131 community members affected by disaster in Mbale, 32 URCS staff involved in provision of humanitarian assistance, 04 accounts staff, one branch Coordinator for Mbale URCS office and 06 local council one leaders of the villages affected by disaster. A sample size of 174 is recommended by Krejcie and Morgan (1970) that if the total population is 209, a sample size of not less than 174 would be representative. The distribution of respondents is shown in Table 3.1.



**Table 3.1: Categories of Respondents that Participated in the Study**

Category of respondents	Nature of respondents	Total population	Sample size	Sampling strategy
General respondents	Community members affected by disaster in villages of:			Simple random sampling
	a) Nametsi and Tunwatsi	41	34	
	b) Masakhana and Marakalu	49	38	
	c) Nakoyonzo	34	29	
	d) Murwerwe	37	30	
	URCS staff involved in humanitarian work	37	32	Simple random sampling
Key informants	Local Council one leaders	06	06	Purposive sampling
	URCS accounts staff	04	04	Purposive sampling
	Branch Coordinator for Mbale URCS office.	01	01	Purposive sampling
<b>TOTAL</b>		<b>209</b>	<b>174</b>	

Source: Sample breakdown derived with guidance from Krejcie, R. V. and Morgan, D. W (1970).

### 3.5 Sampling strategies

Simple random and purposive sampling strategies were used to select respondents and key informants respectively. Purposive sampling was done on six villages affected by landslides and floods in Mbale region (The Humanitarian, April-June 2010 issue). Purposive sampling was used because it enables the researcher to select subjects who are knowledgeable about the problem under investigation (Amin, 2005). The sample size was determined with guidance from Krejcie and Morgan (1970)'s Table of Sample Size Determination. The respondents included 131 community members affected by disaster in Mbale, 32 URCS staff involved in provision of humanitarian assistance, 04 accounts staff, one branch Coordinator for Mbale URCS office and 06 local council one leaders of the villages affected by disaster. Staff of

URCS in the accounts department were purposively selected to provide information about the state of financial accountability required during provision of humanitarian assistance to communities affected by disasters. Four accounts staff were interviewed. In addition, all local council one leaders of the villages affected by disaster (six persons) were selected to participate in interviews. A branch Coordinator for Mbale URCS office was also purposively selected.

However, URCS staff in the disaster management department and community members affected by disasters were selected by simple random sampling. A sampling frame for URCS staff was obtained from URCS head office while that for community members was obtained from village local council leaders. 32 staff of URCS involved in humanitarian work were selected for study. 131 persons affected by disaster were likewise selected from the villages of Nametsi, Tunwatsi, Matsakhana, Marakalu, Nakoyonzo and Murwerwe.

### **3.6 Data Collection Methods**

Both primary and secondary data were collected. Primary data was collected by questionnaire survey and key informant interviews.

#### **3.6.1 Questionnaire survey**

Questionnaire survey was used because it helps in producing data which deals with the topic in depth and detail (Amin, 2005). This method of data collection was applied to community members and URCS staff. The Questionnaire survey collected data about the effect of budget planning, internal controls and record keeping on humanitarian work by URCS staff.

### ***3.6.2 Key informant Interviews***

Key informant interviews were used because they facilitate face to face verbal responses which help to obtain reliable and valid information behind participants' experiences (Amin, 2005). The key informants included URCS accounts staff, the branch Coordinator for Mbale office and local council leaders from six study villages. This method of data collection was purposely intended to capture qualitative information about the effect of financial accountability on the execution of humanitarian work by the Uganda Red Cross Society in Mbale region.

## **3.7 Data collection instruments**

The instruments for primary data collection included:

### ***3.7.1 A questionnaire***

Two sets of semi-structured questionnaires (one for community members and another one for URCS staff) were designed to facilitate the face-to-face interviews. The questionnaires comprised of both closed and open-ended questions formulated by the researcher. Face-to-face interviews were used to collect data about the effect of budget planning, internal controls and record keeping on humanitarian work by URCS staff. As revealed by Amin (2005), a questionnaire helps in producing data which deals with the topic in depth and detail.

### ***3.7.1 In-depth Interview Guide***

Two types of interview guide were designed and administered to different key informants to capture qualitative information. The key informants for in depth interviews included URCS

accounts staff and branch Coordinator for Mbale office on one side and local council leaders from six villages. In-depth interviews were used to gather information about the effect of budget planning, internal controls and record keeping on humanitarian work by URCS staff.

### **3.8 Data quality control**

Validity and reliability of the research instrument were measured as follows:

#### **3.8.1 Validity**

Validity is the extent to which the instruments used during the study measure the issues they are intended to measure (Amin, 2005). To ensure validity of instruments, the instruments were developed under close guidance of the supervisor. After the questions were designed, they were pre-tested to a tenth of the respondents in the sample. This helped to identify ambiguous questions in the instrument, which were later re-aligned with the objectives. The researcher applied a content validity measure to determine the validity of the questionnaire. The formula for finding the Content Validity Index (CVI) was applied and the validity was found to be equal to 0.76 for the questionnaire (see appendix C) making it valid to measure variables in the research problem. Besides, most authorities (Amin, 2005; Creswell, 2003) accept the minimum index of 0.5.

#### **3.8.2 Reliability**

Reliability is the extent to which the measuring instruments produce consistent scores when the same groups of individuals are repeatedly measured under the same conditions (Creswell, 2003). The staff questionnaire was pilot-tested among URCS staff in order to ensure

consistency of the data to be collected. Cronbach's alpha reliability coefficient for this scale was 0.6359 (refer to raw output of reliability test in Appendix C), suggesting a fairly satisfactory internal consistency among the variables representing the scale. The specific reliability for the independent variable was 0.7051 while the dependent variable was 0.5704.

### **3.9 Data analysis**

Data analysis involved analysis of both quantitative and qualitative data. Quantitative data were analyzed descriptively in form of frequency tables and graphs such as pie-charts and bar graphs. Pearson correlation index was used to establish the effect of budget planning, internal controls and record keeping on humanitarian work by URCS staff. Qualitative data was analyzed according to themes identified from research questions/hypotheses and quoted in verbatim. Data from in-depth interviews and observation was recorded, organized, interpreted and presented.

### **3.10 Measurement of Variables**

The researcher applied both nominal and ordinal levels of measurement of variables. The nominal level of measurement was used by application of a coding system to cover the demographic characteristics. It was therefore used for identification purpose. The ordinal level of measurement was used in the application of likert scale with representations like Strongly Agree, Agree, Undecided, Disagree and Strongly Disagree which were coded 5=SA, 4=A, 3=U, 2=D, 1=SD.

### **3.11 Conclusion**

In this chapter, the methodology of the study has been presented. During the study, a total of 174 respondents participated in the study. These included 131 community members affected by disaster in six villages in Mbale, 32 URCS staff involved in provision of humanitarian assistance, 04 accounts staff, one branch Coordinator for Mbale URCS office and 06 local council one leaders of the villages affected by disaster. A case study research design was used and primary data were collected by questionnaires. Data collected were analyzed both qualitatively and quantitatively. Descriptive and inferential statistics were used in the analysis. The next chapter contains field findings.

## **CHAPTER FOUR**

### **PRESENTATION, ANALYSIS AND INTERPRETATION OF RESULTS**

#### **4.1 Introduction**

This chapter presents the research findings and interpretation of results. The purpose of the study was to assess the effect of financial accountability on the execution of humanitarian work by the Uganda Red Cross Society. Data presentation was guided by the themes of the study, namely:

- a) The effect of budget planning on the execution of humanitarian work by URCS.
- b) The effect of internal controls on the execution of humanitarian work by URCS.
- c) The effect financial record keeping on the execution of humanitarian work by URCS.

However, the response rate and background characteristics of the respondents are presented first to give a clear picture of the type of respondents that participated in the study.

##### **4.1.1 Response rate**

The researcher was able to conduct all the eleven key informant interviews as planned. There was flexibility in asking questions and respondents were free to respond accordingly. Although clarifications and follow up on answers was done immediately, 5.2% of the respondents for questionnaire interviews never returned the questionnaires. The response rate is shown in Table 4.1.

**Table 4.1: Response Rate**

<b>Type of respondents</b>	<b>Target respondents</b>	<b>Actual No. of respondents</b>	<b>Response rate in %</b>
Community members affected by disaster in villages of:			
a) Nametsi and Tunwatsi	41	34	81.3%
b) Masakhana and Marakalu	49	38	
c) Nakoyonzo	34	29	
d) Murwerwe	37	30	
URCS staff involved in humanitarian work	37	32	86.5%
Local Council one leaders	06	06	100%
URCS accounts staff	04	04	100%
Branch Coordinator for Mbale URCS office.	01	01	100%
<b>TOTAL</b>	<b>209</b>	<b>174</b>	<b>83.3%</b>

Table 4.1 indicates that the response rate for community members was 81.3% while the URCS staff was 86.5%. When computed together with the response rate for key informants which was 100%, the average response rate for the study is 83.3%. This was above average and therefore, significant to make study findings to be generalized for the effect of financial accountability on the execution of humanitarian work by the Uganda Red Cross Society in Mbale region.

#### **4.1.2 Background characteristics of respondents**

Information about background characteristics of community members affected by disaster and URCS staff who participated in the study is presented in this section. They include: gender,



age, education level, working experience with URCS and occupation of community members.

Table 4.2 presents the gender distribution of respondents.

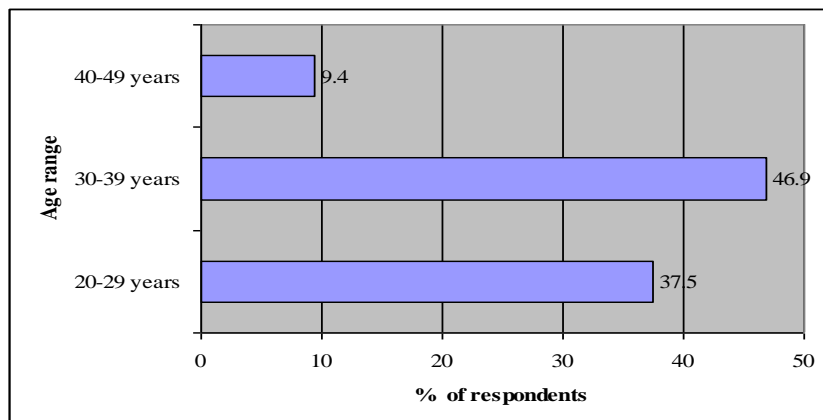
**Table 4.2: Gender Distribution of Respondents**

<b>Gender</b>	<b>Category of respondents</b>	
	<i>URCS staff</i>	<i>Community members</i>
Male	18 (56.3%)	99 (75.6%)
Female	14 (43.7%)	32 (24.4%)
<b>Total</b>	<b>32 (100.0)</b>	<b>131 (100.0)</b>

*Source: Primary data*

Table 4.2 shows the gender distribution of URCS staff and community members affected by disaster in Mbale region. The male respondents constituted 56.3% of URCS staff and 75.6% of the community members while females were 43.7% of URCS staff and 24.4% of community members. Male respondents constituted the majority of study respondents because URCS had more male staff involved in humanitarian work than females. On the side of community members, more male than females participated in the study because most of them were literate, easily mobilized and yet knowledgeable about the occurrence of natural disasters in Mbale region. With both gender adequately represented in the study, it implies that the study findings were gender balanced and therefore could reflect a true picture of the effect of financial accountability on the execution of humanitarian work by the Uganda Red Cross Society in Mbale region.

Regarding the age distribution of respondents, various categories of age-groups of URCS staff participated in the study as shown in Figure 4.1.



**Figure 4.1: Age Distribution of URCS Staff Respondents (n=32)**

Figure 4.1 indicates that the majority of URCS staff (46.9%) were in the age bracket of 30-39 years. These were followed by 37.5% of the respondents who were between 20-29 years of age. Those between 40-49 years constituted 9.4%. This implies that all age categories from as low as 20 years participated in humanitarian work of URCS.

As far as the education level of respondents was concerned, respondents ranged from lack of formal education to postgraduate level. The details are shown in Table 4.3.

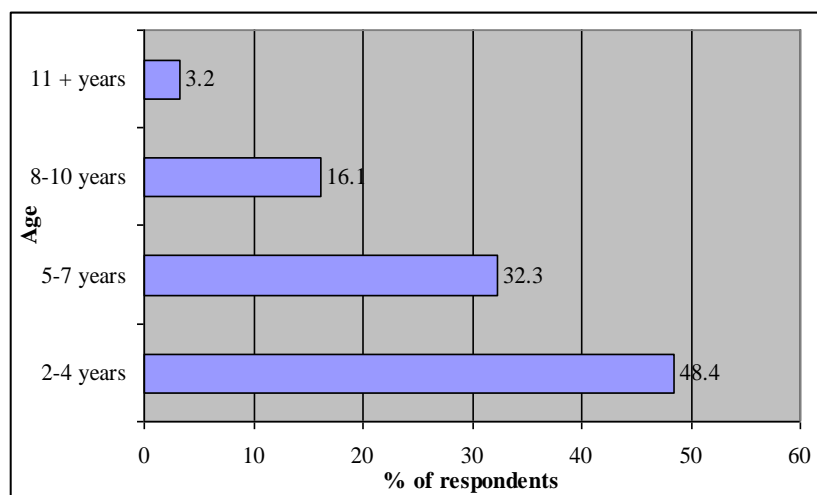
**Table 4.3: Distribution of Respondents by Level of Education**

Level of education	Category of respondents	
	<i>URCS staff</i>	<i>Community members</i>
No formal education	0	30 (22.9%)
Primary school level	0	69 (52.7%)
Secondary school level	1 (3.1%)	32 (24.4%)
Diploma	3 (9.4%)	0
Degree level	25 (78.1%)	0
Postgraduate	3 (9.4%)	0
<b>Total</b>	<b>32 (100.0)</b>	<b>131 (100.0)</b>

Table 4.3 shows the education level of URCS staff and community members affected by disaster in Mbale region. The majority of the URCS staff (78.1%) were degree holders followed by postgraduates (9.4%), diploma holders (9.4%) and respondents with secondary school education (3.1%). This is clearly in line with the organization policy of recruiting educated and skilled staff to efficiently execute URCS tasks. This enhanced the study output as all respondents could easily understand budget planning, internal controls and record keeping in URCS humanitarian work.

On the other hand, 52.7% of the community members had primary level education, 24.4% had secondary while 22.9% had no formal education. With such low levels of education, it indicated that the community members did not have capacity to account for the humanitarian assistance given to them in times of disaster.

The study also investigated the working experience of URCS staff and found that is ranged between 2 to over 11 years as shown in Figure 4.2.

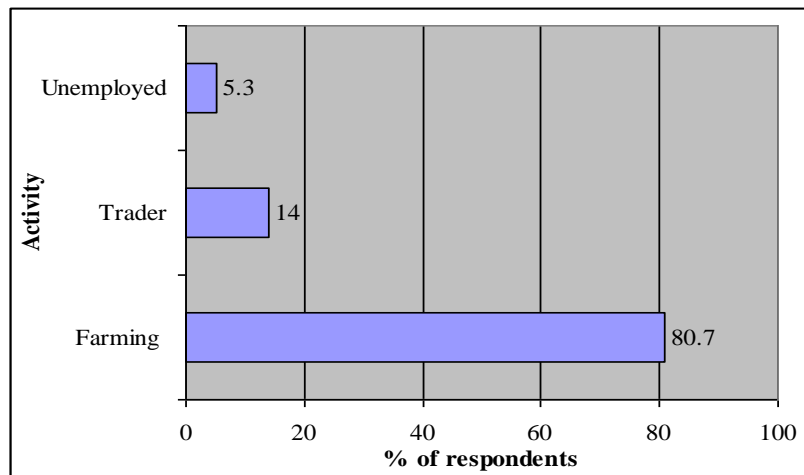


Source: Primary data

**Figure 4.2: Distribution of URCS Staff Respondents by Working Experience (n=32)**

Figure 4.2 indicates that 48.4% of the respondents had 2-4 years working experience with URCS. A further 32.3% had 5-7 years work experience while 16.1% had 8-10 years of work experience with URCS. Only 3.2% of the respondents had 11 years and above of work experience with URCS. This implies that the study was conducted among staff with significant experience in humanitarian work of URCS and its accompanying accountability detail. This enhanced the study output as all respondents were conversant with budget planning, internal controls and record keeping details required by URCS.

Regarding the occupation of community members affected by disasters, various activities were identified as shown in Figure 4.3.



*Source: Primary data*

**Figure 4.3: Distribution of Community Member Respondents by Occupation (n=131)**

Figure 4.3 shows that 80.7% of the respondents were engaged in farming while 14% were involved in trade. Only 5.3% indicated that they were unemployed. With majority of the community members involved in farming, the occurrence of landslide and flood disasters in

Mbale district adversely affected their source of livelihood. Humanitarian assistance was therefore necessary to help support people’s livelihood.

#### 4.2 The Effect of Budget Planning on the Execution of Humanitarian Work by URCS

This sub section addresses the research question that: “*What is the effect of budget planning on the execution of humanitarian work by URCS?*”. The items used to measure budget planning included holding of budget meetings, planning sessions, availability of the work plan and approved budget estimates for URCS activities. In the first instance, the study sought to establish the nature of budget planning done by URCS. A number of statements about budget planning in URCS were presented to URCS staff and asked to express their opinions by either agreeing or disagreeing with the statements. The findings of this investigation are presented in Table 4.4.

**Table 4.4: Descriptive Statistics on Respondent views over Budget Planning in URCS**

Statements	Response options			Mean	Std Dev.
	Agree	Undecided	Disagree		
1. URCS invites staff for budget meetings	27 (84.3%)	2 (6.3%)	3 (9.4%)	1.72	1.054
2. URCS makes annual budget plans	31 (96.9%)	1 (3.1%)	0	1.38	.555
3. Budgeting in URCS guides allocation of resources	28 (87.5%)	1 (3.1%)	3 (9.4%)	1.70	.702
4. Every URCS project has a work plan	32 (100%)	0	0	1.53	.507
5. Budget planning has resulted into increased efficiency in the use of funds	25 (78.1%)	5 (15.6%)	2 (6.3%)	2.03	.822
6. Every URCS project operates on an approved budget.	29 (90.6%)	1 (3.1%)	2 (6.3%)	1.62	.832
7. URCS officers are responsible for budget processing	27 (84.3%)	3 (9.4%)	2 (6.3%)	1.91	.817
8. URCS involves field staff in planning for humanitarian activities	28 (87.5%)	1 (3.1%)	3 (9.4%)	1.93	.840

According to table 4.4, all the respondents (100%) agreed on existence of a work plan as evidence of budget planning in URCS. This suggests that the activities of URCS were well planned in advance and therefore staff could easily tell what, when and how something is to be done. This also makes it easy for staff to make the necessary accountability for resources provided to execute the humanitarian operations.

A further 96.9% of the respondents agreed that URCS makes annual budget plans. A budget plan helps in the projection of anticipated income and expenditures for a given period of time. Consequently, this allows long range planning and controlling future operations towards desired objectives of URCS. Operations can be efficiently controlled through proper accountability of the resources expended.

Another statement agreed by respondents as revealing existence of budget planning in URCS was “budgeting in URCS guides allocation of resources”. This was agreed by 87.5% of the respondents, disagreed by 9.4% while 3.1% were undecided. By allowing budgeting to guide allocation of resources, it implies that there was value for money on activities where URCS resources were spent. With value for money ensured, accountability of resources was therefore made easy.

URCS involves field staff in planning for humanitarian activities. This was agreed by 87.5% of the respondents, disagreed by 9.4% while 3.1% were undecided. This implies that there was participatory planning which ensured staff support for URCS activities and procedures

like financial accountability. In confirmation of participatory planning, a further 84.3% of the staff respondents revealed that URCS invited them for budget meetings. This implies that there was active staff participation through implementation of effective humanitarian interventions to victims of disaster in Mbale region.

Other statements agreed by respondents were URCS officers are responsible for budget processing (agreed by 84.3%, disagreed by 6.3% while 9.4% were undecided) and that, budget planning has resulted into increased efficiency in the use of funds (agreed by 78.1%, disagreed by 6.3% while 15.6% were undecided). This implies that URCS had adequate means of ensuring that public money was used in a responsible and productive way.

The above information indicates that URCS practiced budget planning through making of work plans, annual budget plans, implementing approved budgets and involving field staff in planning for humanitarian activities. These findings are further supported by information provided by the Branch Coordinator for Mbale URCS office who said:

...during budget preparation, a series of assessments are carried out. Consultations are carried out at branch, regional levels and sent to Headquarter. The National Headquarter compiles a final budget and it is approved by the Central Governing Board.

In a related response, the Head of Finance department also added:

The annual planning and budgeting exercise is preceded by a series of planning and co-ordinating sessions, meetings, workshops and seminars which help the key staff involved in the process to

brainstorm, generate ideas and agree on budgetary assumptions, short term goals, objectives, targets, activities, indicators, etc.

This implies that budget planning in URCS was a participatory process that involved inputs by various stakeholders. In a related statement, one Local Council 1 leaders for Marakalu village added:

When URCS brought relief to people in this area, local leaders were invited for a meeting on how to distribute the assistance. In this way, we were able to assist URCS to give assistance to those who needed it most and avoid the middlemen who wanted to take advantage of the situation.

This implies therefore, that URCS involved community beneficiaries through their local leaders in planning for the available humanitarian assistance. Consequently, it was easy for URCS staff to account for such humanitarian assistance since its distribution was done together with the beneficiaries.

Having established the existence of budget planning in URCS, the study investigated whether community members in the area of study had received any humanitarian assistance from URCS in the previous landslide and flood disasters. The findings are presented in Table 4.5.



**Table 4.5: Distribution of Humanitarian Assistance from URCS during the previous Disasters (n=131)**

<b>Response</b>	<b>Frequency</b>	<b>Percent</b>
Yes	107	81.7
No	24	18.3
<b>Total</b>	<b>131</b>	<b>100.0</b>

*Source: Primary data*

Table 4.5 indicates that 81.7% of the respondents received humanitarian assistance from URCS in the previous landslide and flood disasters compared to 18.3% who reported not to have got assistance from URCS. This implies that URCS offered humanitarian support to majority of the community members who suffered losses from landslide and flood disasters in Mbale district. Analysis of funds budgeted and spent by URCS on humanitarian support to disaster victims between 2008 – 2010 revealed an upward trend of expenditure (Table 4.6).

**Table 4.6: Money spent by URCS on Disaster Management in Mbale District (2008-2010)**

<i>Year</i>	<i>Amount of money allocated to disaster management (UGX)</i>	<i>Amount spent (UGX)</i>	<i>Amount unspent (UGX)</i>
2008	39,000,000	39,000,000	0
2009	101,934,000	101,934,000	0
2010	245,000,900	245,000,900	0

*Source: Records from the office of the URCS Branch Coordinator for Mbale region*

Table 4.6 indicates that all funds allocated for disaster management and response monitoring were spent. This implies that all funds disbursed for disaster management were accounted for. However, more funds were spent in 2010 due to the need to support communities affected by the Bududa landslide disaster.

The specific items and services given by URCS to victims of landslide and flood disasters in Mbale district were also investigated. These ranged from essential household items like plates, saucepans; medicine, psychosocial support, food and education facilities. The findings from community members are presented in Table 4.7.

**Table 4.7: Nature of Humanitarian Assistance got by Victims of Landslide and Flood Disasters in Mbale District (n=131)**

Statements	Response options			Mean	S.D
	Agree	Undecided	Disagree		
1. URCS often provided essential household items to victims of disasters in Mbale region	73 (55.8%)	10 (7.6%)	48 (36.6%)	2.95	1.68
2. URCS often provided food to victims of disasters in Mbale region	101 (77.1%)	18 (13.7%)	12 (9.2%)	1.77	1.21
3. URCS often relocated victims of disasters in Mbale region	91 (69.5%)	11 (8.4%)	29 (22.1%)	2.28	1.48
4. URCS often carried out sensitization programmes on possible dangers of natural disasters	111 (84.7%)	8 (6.1%)	12 (9.2%)	1.73	1.11
5. URCS often provided psychosocial support to victims of disasters in Mbale region	121 (92.4%)	3 (2.3%)	7 (5.3%)	1.57	.75
6. URCS often provided medical care to victims of disasters in Mbale region	85 (64.8%)	13 (9.9%)	33 (25.2%)	2.45	1.57
7. URCS often provided education facilities to victims of disasters in Mbale region	86 (65.7%)	31 (23.7%)	14 (10.7%)	2.16	1.24

*Source: Primary data*

From table 4.7, nature of humanitarian assistance given by URCS to victims of landslide and flood disasters in Mbale district included psychosocial support to victims of disasters in Mbale region (agreed by 92.4% of the respondents). This involved counseling and guidance on how to go through the hard times of loss of property, how to look after children and

prepare for the future. Related to this was sensitization programmes on possible dangers of natural disasters (agreed by 84.7% of the respondents). All these were meant to prepare and inform community members about how to avoid loss as well as coping with disaster if it has happened.

Another form of humanitarian assistance given by URCS to victims of landslide and flood disasters was food items to victims of disasters (agreed by 77.1% of the respondents). According to one Local Council leader, the food items included maize flour, cooking oil and beans. This food package was necessary to sustain people's lives since majority of them had lost their food while still in gardens as well as granaries.

A further 69.5% of the respondents indicated that URCS had relocated victims of disasters by way of evacuating them from dangerous zones to much safer places. Indeed, during field observation, it was found that most people in the disaster affected areas especially children and their mothers had been relocated to Kyangwali and Orichinga resettlement villages in western part of Uganda. This was necessary for continuity of social activities like education of children.

Other forms of humanitarian assistance given by URCS to victims of landslide and flood disasters in Mbale district were education facilities to victims of disasters (agreed by 65.7% of the respondents), medical care to victims (agreed by 64.8% of the respondents) and, provision of essential household items (agreed by 55.8% of the respondents). This implies that URCS

offered a wide range of items and services to save lives, alleviate suffering and preserve or re-establish the livelihoods of the affected populations.

Further information about the nature of humanitarian assistance given by URCS to victims of landslide and flood disasters in Mbale district was provided by the Branch Coordinator for Mbale URCS office that:

...URCS distributed food provided by the Office of the Prime Minister, World Food Programme and other food donated by well-wishers. Non-food items like blankets, plates, saucepans, tarplins, jericans, soap etc were also distributed to community members. URCS provided camp management at Bulucheke camp, psychosocial support and together with the Uganda Peoples' Defence Forces, carried out evacuations and relocated the victims.

The above items were confirmed by local leaders as revealed by one of the Local Council I Chairperson for Nametsi village that: "the Red Cross was quick to respond to giving community members food, tents for shelter, blankets, medicine, beans, cooking oil and other food and non-food items".

Despite the above positive effect of budget planning on execution of humanitarian work, the study found that there were challenges to effective budget planning by URCS. The challenges are presented in Table 4.8.

**Table 4.8: Challenges to Effective Budget Planning by URCS (n=32)**

<b>Challenges</b>	<b>Frequency</b>	<b>Percent</b>
No invitation of volunteers and other stakeholders for budget planning	5	15.6
Limited funds	6	18.8
Incorporation of non-priority activities	4	12.6
Difficulty of projecting future inflation	7	21.9
Fluctuation in funds	3	9.4
Late release of funds by donors	3	9.4
Donor dependence	4	12.6
<b>Total</b>	<b>32</b>	<b>100.0</b>

*Source: Primary data*

The challenges included difficulty of projecting future inflation (21.9%), limited funds (18.8%), failure to invite volunteers and other stakeholders for budget planning (15.6%), donor dependence (12.6%) and incorporation of non-priority activities (12.6%). There is need to find remedies for these challenges in order to improve budget planning and consequently, execution of humanitarian work by URCS.

#### **4.2.1 Test for hypothesis one**

Further investigation of the effect of budget planning on the execution of humanitarian work by URCS was done by testing a null hypothesis that “*Budget planning has no significant effect on the execution of humanitarian work by URCS*” This was done by calculating the Pearson correlation index to find out the nature of effect/relationship between budget planning and humanitarian work. The findings are presented in table 4.9.

**Table 4.9: Pearson Correlation Index showing the Effect of Budget Planning on Execution of Humanitarian Work**

		Humanitarian work	Budget planning
Humanitarian work	Pearson Correlation	1	.215
	Sig. (2-tailed)		.237
	N	32	32
Budget planning	Pearson Correlation	.215	1
	Sig. (2-tailed)	.237	
	N	32	32

*Source: Primary data*

Table 4.9 indicates that there is a weak positive relationship between budget planning and execution of humanitarian work ( $r = 0.215$ ,  $p = 0.237$  at 0.05 level of significance). This implies that effective budget planning facilitates smooth execution of humanitarian work. Thus budget planning had a positive effect on execution of humanitarian work. The positive relationship was further confirmed by the simple regression analysis where  $r^2 = .215^2 = 0.046225$ . This implies that budget planning was related to humanitarian work by 4.62% holding other factors constant. Owing to this relationship, the null hypothesis: “*Budget planning has no significant effect on the execution of humanitarian work by URCS*” is accepted.

To wind up the findings for this objective therefore, URCS practiced budget planning through making of work plans, annual budget plans, implementing approved budgets and involving field staff in planning for humanitarian activities. As a result, URCS offered humanitarian support to majority of the community members who suffered losses from landslide and flood disasters in Mbale district. The humanitarian assistance given by URCS to victims of landslide and flood disasters in Mbale district included food and non-food items. Finally, Pearson correlation index revealed an insignificant positive effect of budget planning on execution of humanitarian work by URCS hence accepting the null hypothesis.

### 4.3 The Effect of Internal Controls on the Execution of Humanitarian Work by URCS

This sub section presents findings for the research question: “*How do internal controls affect the execution of humanitarian work by URCS?*” The internal control items assessed by the study included supervisory control, processing control, physical safeguard controls, detection control and segregation of duties among others. During the study, the use of internal controls by URCS was examined by presenting statements to URCS staff and then asking them for their opinion in form of agreeing or disagreeing to the statements. The findings are presented in Table 4.10.

**Table 4.10: URCS Staff Responses about Internal Controls in URCS (n=32)**

Statements	Response options			Mean	S.D
	Agree	Undecided	Disagree		
1. URCS safeguards its assets from inefficient use.	25 (78.1%)	3 (9.4%)	4 (12.5%)	2.15	.98
2. URCS has financial procedures to evaluate efficiency of its operations	31 (96.1%)	0	1 (3.1%)	1.59	.67
3. URCS has financial procedures to enhance accuracy in financial records	28 (87.5%)	3 (9.4%)	1 (3.1%)	1.75	.76
4. There is transparency in management of URCS affairs	19 (59.3%)	6 (18.8%)	7 (21.9%)	2.50	1.24
5. URCS has financial procedures to ensure compliance	29 (90.6%)	3 (9.4%)	0	1.81	.59
7. URCS has financial procedures that promote fairness	24 (75.0%)	6 (18.8%)	2 (6.3%)	2.21	.71
8. URCS has mechanisms that ensure adherence to management policies	29 (90.7%)	0	3 (9.3%)	1.93	.67
9. URCS has supervisory controls to prevent errors	26 (81.3%)	4 (12.5%)	2 (6.3%)	2.00	.81
10. URCS has processing controls to prevent errors	25 (78.2%)	7 (21.9%)	0	2.11	.64
11. Segregation of duties is another internal control of URCS to reduce fraud.	20 (62.5%)	8 (25.0%)	4 (12.5%)	2.33	.96
12. URCS carries out external annual auditing of books of accounts	31 (96.9%)	1 (3.1%)	0	1.34	.54

Source: Primary data

According to table 4.10, the responses in favour of use of internal controls by URCS include:

URCS carries out external annual auditing of books of accounts (agreed by 96.9%, disagreed by none while 3.1% were undecided). One such audit report seen by the researcher was done on 2009 by Ernest and Young Certified Accountants. This is an element of accountability intended to direct and control its activities by promoting transparency, accountability, responsibility, and fairness to all stakeholders.

Table 4.10 further reveals that URCS has financial procedures to evaluate efficiency of its operations (agreed by 90.7% and disagreed by 3.1%). The financial procedures of URCS that ensure efficiency of operations are well stipulated in its Financial Procedural Manual of 2008 that:

The society operates a computerised accounting software package. The package is a full double entry accounting system, designed to provide the National Society with a financial management instrument and reporting tool for consolidating their financial data. The package is based on the four coding principles: nominal account, activity, donor code and project code. Branches account with original documentation monthly to the Regions following a manual system. Reports are produced directly from the accounting package. The Headquarters transfers quarterly allocations to the Branches based upon requests reflecting the annual approved budget. Authorisation of a transfer requires that accountability for previous transfers are delivered from the Branch to the Region and finally to the Headquarters.

These financial procedures ensure compliance with URCS financial management regulations.



Another internal control is that URCS has mechanisms that ensure adherence to management policies (agreed by 90.7% and disagreed by 93%). The mechanisms for financial management revealed by one Accounts staff were contained in his statement that:

The URCS operates a number of Programs which are separate accounting entities from the main F&A. The URCS general ledger accounting structure reflects this separate entity nature of the programs. Each department/program operates its own bank account.

This implies that the financial management mechanisms ensure that there is proper financial management, accountability and value for money.

Other internal controls used by URCS included financial procedures to ensure compliance (agreed by 90.6%, disagreed by none while 9.4% were undecided), financial procedures to enhance accuracy in financial records (agreed by 87.5%, disagreed by 3.1% while 9.4% were undecided). The issue of accuracy in financial records was further clarified by one Accounts staff that: “the main accountability form is Accounting Form No 2. However this is not enough as it must be supported with either Form 4 and/or other accountability documents like receipts, lists of participants, etc.” This shows the importance attached to transparency and accountability in URCS.

The responses above indicate that URCS had internal controls to provide management with reasonable assurance for undertaking humanitarian work. The internal controls included external annual auditing of books of accounts, financial procedures to evaluate efficiency of its operations, ensure compliance, accuracy in financial records, supervisory controls to

prevent errors and, safeguards for its assets from inefficient use. This partly confirms the main goal of URCS finance department as ensuring that there is proper financial management, accountability and value for money.

Related findings were also revealed at URCS headquarter where one accounts staff said:

...requisitions are made and sent to the headquarters for approval.

Other requisitions are approved by the Branch Governing Board before a cheque is signed by more than one signatory. Besides, no expenditure may be entered in the cash book without the prior approval of the Accountant in charge of the program/Department/Region who has been delegated such authority and the Accountant communicates immediately to the concerned person.

This implies that URCS has internal controls for use of funds for any activity including humanitarian work. Internal controls further ensured accountability in the humanitarian operations as revealed by one Local Council 1 leader that: “URCS staff worked together with the district and local leaders. But the district entrusted URCS to distribute assistance and even today, they are being credited for that because the task was perfectly done”. This indicates that there was delegation and segregation of duties which ensured efficiency and accountability of humanitarian assistance to the community in Mbale district.

Despite the internal controls in humanitarian operations by URCS, the study found that there were challenges to implementation of internal controls. The challenges are presented in Table 4.11.

**Table 4.11: Challenges to URCS Internal Controls**

<b>Challenges</b>	<b>Frequency</b>	<b>Percent</b>
Lack of a computerized system of accounting	3	9.3
Inadequate staff training	2	6.3
Ineffective managers	4	12.5
Delay in transfer of funds to branch offices	5	15.6
Poor information dissemination	5	15.6
Lack of awareness	4	12.5
Unclear control guidelines	2	6.3
Many URCS branches	2	6.3
Poor monitoring mechanism	5	15.6
<b>Total</b>	<b>32</b>	<b>100.0</b>

*Source: Primary data*

The challenges to implementation of internal controls by URCS included poor monitoring mechanism (15.6%), delay in transfer of funds to branch offices (15.6%), poor information dissemination (15.6%), ineffective managers (12.5%) and lack of a computerized system of accounting (9.3%) among others. In addition to this, the Branch Coordinator for Mbale URCS office revealed that “sometimes looking for signatories for approval may become a challenge”.

### 4.3.1 Test of Hypothesis two

In order to establish the effect of internal controls on the execution of humanitarian work by URCS, a null hypothesis that “*Internal controls do not affect the execution of humanitarian work by URCS*” was tested. This was done by calculating the Pearson correlation index to find out the effect/relationship between internal controls on humanitarian work. The findings are presented in table 4.12.

**Table 4.12: Pearson Correlation Index showing the Effect of Internal Controls on Humanitarian Work (n=32)**

		Internal controls	Humanitarian work
Internal controls	Pearson Correlation	1	.010
	Sig. (2-tailed)		.959
	N	32	32
Humanitarian work	Pearson Correlation	.010	1
	Sig. (2-tailed)	.959	
	N	32	32

*Source: Primary data*

Table 4.12 reveals a weak positive relationship between internal controls and execution of humanitarian work ( $r = 0.010$ ). The positive effect was further confirmed by  $r^2 = .010^2 = 0.02$ . This implies that internal controls affect humanitarian work by mere 2% holding other factors constant. This implies that internal controls weakly facilitate execution of humanitarian work. However, the effect is insignificant ( $p < 0.959$ ) at 0.05 level of significance. Owing to this weak effect, the null hypothesis: “*Internal controls do not affect the execution of humanitarian work by URCS*” was upheld.

In sum, the study found that URCS had internal controls to provide management with reasonable assurance for undertaking effective humanitarian operations. The internal controls

used by URCS included external annual auditing of books of accounts, financial procedures to evaluate efficiency of its operations, ensure compliance, accuracy in financial records; supervisory controls to prevent errors and, safeguards for its assets from inefficient use. These internal controls regulated the use of funds for any activity including humanitarian work. Consequently, weak positive relationship between internal controls and execution of humanitarian work ( $r = 0.010$ ) was found to exist.

#### **4.4 The Effect of Financial Record keeping on the Execution of Humanitarian work by URCS**

Finally, the study sought to answer the research question: “*What is the effect of financial record keeping on the execution of humanitarian work by URCS?*” Record keeping was examined by analyzing accuracy of URCS records, timeliness of activities, availability of income records, expenditure records and safety of documents.

Record keeping by URCS was examined by presenting statements to URCS staff and asking for their opinion in form of agreeing or disagreeing to the statements. The findings are presented in Table 4.13.

**Table 4.13: URCS Staff Responses about Record Keeping in URCS (n=32)**

Statements	Response options			Mean	Std. Dev.
	Agree	Undecided	Disagree		
1. URCS maintains proper documents regarding its business transactions	29 (90.7%)	1 (3.1%)	2 (6.3%)	1.68	.82
2. URCS records pertaining to the finances are accurately captured	28 (87.5%)	1 (3.1%)	3 (9.4%)	1.70	.82
3. URCS records pertaining to expenses are safely kept	25 (78.1%)	4 (12.5%)	3 (9.4%)	2.03	.89
4. URCS records on income are safely kept	25 (78.1%)	5 (15.6%)	2 (6.3%)	2.06	.92
5. URCS records on purchases made are accurately kept	26 (81.2%)	3 (9.4%)	3 (9.4%)	1.90	.83
6. URCS management can effectively check outflows of cash	23 (71.9%)	8 (25.0%)	1 (3.1%)	2.12	.75
7. Audit reports of URCS are provided to relevant stakeholders	25 (78.1%)	4 (12.5%)	3 (9.4%)	1.91	.96
8. Financial records of URCS are produced on time	22 (68.7%)	2 (6.3%)	8 (25.0%)	2.51	1.15

*Source: Primary data*

According to table 4.13, the statements in support of record keeping by URCS include:

URCS maintains proper documents regarding its business transactions (agreed by 90.7%, disagreed by 6.3% while 3.1% were undecided). Accurate and timely financial reporting is essential for proper management and effective use of available resources. As revealed by the Branch Coordinator, “a simple, but effective system has been designed. Branches report monthly to the Headquarters with all expenditures evidenced by official receipts and where these receipts are not available, Form 4 is be used”. This implies that there is proper record keeping for accountability purposes.

URCS records pertaining to the finances are accurately captured (agreed by 87.5%, disagreed by 9.4% while 3.1% were undecided). This is made possible by use of the bank for all transactions. This is in accordance with the Financial Procedural Manual (2008) that:

At the end of every month, a statement of each bank account is obtained from the bank showing all entries to the account during the month and the bank balance. This balance is compared with the cash book balance at the end of the same month and any differences investigated and reconciled in a Bank Reconciliation Statement. The Bank Reconciliation Statement is prepared by the Accountant or any other officer assigned to do such a duty and verified by the Senior Accountant or Head of Finance and Accounts by signing the Statement.

This indicates that duties of finance and accountability were clearly segregated between persons so that they are not handled by one person.

Table 4.13 further indicates that audit reports of URCS are provided to relevant stakeholders (agreed by 78.1%, disagreed by 3.1% while 25% were undecided). This is supported by the Head of Finance department that: “it is a constitutional requirement that URCS should prepare annual financial accounts, which will be audited by the external auditor and circulated to the Board after its financial year end”.

More evidence for record keeping by URCS are records on income are safely kept (agreed by 78.1%, disagreed by 6.3% while 15.6% were undecided); URCS records pertaining to expenses are safely kept (agreed by 78.1%, disagreed by 9.4% while 12.5% were undecided)

and that, financial records of URCS are produced on time (agreed by 68.7%, disagreed by 25% while 6.3% were undecided). These statements are in agreement with the Head of Finance who revealed that: “at the end of every quarter the accounts department will prepare financial reports which reflect budgets, actual expenditure and variances”.

From the information above, it can be deduced that URCS maintained records as evidenced through maintaining proper documents regarding its business transactions, capturing financial records, accurate keeping of records on purchases, providing audit reports to relevant stakeholders, keeping records on income, expenses and, producing financial records on time. This implies that URCS kept all the relevant records which eventually facilitated financial accountability and fulfillment of its objectives like provision of humanitarian assistance to victims of disaster. This idea is likewise captured by URCS Financial Procedural Manual (2008) that URCS is accountable to the recipients, donors, partners and Government of Uganda for self-correcting management and the continuous improvement of the quality of life of the most vulnerable people in Uganda.

Record keeping was further investigated among community members who received humanitarian assistance. The researcher investigated whether they had recorded the various form of assistance and quantity received from URCS. The findings are presented in Table 4.14.



**Table 4.14: Records of Humanitarian Assistance received by the Community (n=131)**

<b>Response</b>	<b>Frequency</b>	<b>Percent</b>
Yes	93	71.0
No	38	29.0
<b>Total</b>	<b>131</b>	<b>100.0</b>

*Source: Primary data*

From table 4.14, the majority of the community members who participated in the study (71%) indicated that they had recorded the various form of assistance and quantity received from URCS. However, 29% did not record the assistance given to them anywhere. Despite this, record keeping was reportedly done as a way to account for the services offered and activities done by URCS. Likewise, the Branch Coordinator for Mbale URCS office enumerated the various types of records usually kept by the regional office for accountability purposes. He said: “we keep requisition forms, cheque payment vouchers, accountability receipts, goods received book, way bills, beneficiaries lists and asset register”.

In further support of record keeping by URCS, one local council 1 leader revealed:

Support was given only to registered members because they were the ones in great need. Although non-registered members also needed support, they had to be verified by URCS staff, get registered and then access the available assistance.

#### 4.4.1 Test of Hypothesis three

The study investigated the statistical relationship between record keeping and execution of humanitarian work by URCS. A null hypothesis that “*Financial record keeping does not significantly affect the execution of humanitarian work by URCS*” was tested. This was done by calculating the Pearson correlation coefficient to find out the effect of record keeping on humanitarian work. The findings are presented in table 4.15.

**Table 4.15: Pearson Correlation showing the effect of Financial Record Keeping on Humanitarian Work (n=32)**

		Record keeping	Humanitarian work
Record keeping	Pearson Correlation	1	.070
	Sig. (2-tailed)		.705
	N	32	32
Humanitarian work	Pearson Correlation	.070	1
	Sig. (2-tailed)	.705	
	N	32	32

*Source: Primary data*

Table 4.15 indicates that there is a weak positive relationship between record keeping and execution of humanitarian work ( $r = 0.070$ ). The positive effect was further confirmed by  $r^2 = .070^2 = 0.0049$ . This implies that record keeping affect humanitarian work by mere 0.49% holding other factors constant. This implies that record keeping facilitates execution of humanitarian work by URCS. Despite this positive relationship, the effect is insignificant ( $p < 0.705$  at 0.05 level of significance). Owing to this relationship, the null hypothesis: “*Financial record keeping does not significantly affect the execution of humanitarian work by URCS*” was upheld.

The lack of significance of record keeping in affecting humanitarian work is probably explained by the various challenges of record keeping by URCS. The challenges are presented in Table 4.16.

**Table 4.16: Challenges of Record Keeping by URCS (n=32)**

<b>Challenges</b>	<b>Frequency</b>	<b>Percent</b>
Lack of computerized filing system	11	34.4
Lack of staff refresher courses	3	9.4
Delay of accountability	6	18.7
Too much paper work for filling	6	18.7
Shortage of record storage facilities	2	6.3
Few trained staff	4	12.5
<b>Total</b>	<b>32</b>	<b>100.0</b>

*Source: Primary data*

Lack of computerized filing system (34.4%), delay of accountability (18.7%) and too much paper work for filling (18.7%) were the major challenges of record keeping reported by URCS staff. Other challenges included few trained staff (12.5%), lack of staff refresher courses (9.4%) and shortage of record storage facilities (6.3%).

Basing on the findings above, URCS maintained records as evidenced through maintaining proper documents regarding its business transactions, capturing financial records, accurate keeping of records on purchases, providing audit reports to relevant stakeholders, keeping records on income, expenses and, producing financial records on time. Despite the various challenges of record keeping by URCS, there was a weak positive relationship between record keeping and execution of humanitarian work.

## **4.5 Conclusion**

The study was conducted in six selected villages that were affected by landslides and floods in Mbale region. Although the majority of the respondents were males, some female respondents were also interviewed in order to attain a gender-balanced comparison. The majority of the respondents were adults, literate and were engaged in farming. Such respondents were knowledgeable and mature enough to provide data on the effect of budget planning, internal controls and record keeping on the execution of humanitarian work by the Uganda Red Cross Society which was being investigated. The next chapter contains the summary, discussion, conclusions and recommendations of the study.

## **CHAPTER FIVE**

### **SUMMARY, DISCUSSION, CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter presents the summary, discussion, conclusions and recommendations, which are based on the findings of the study. Summary and conclusions involve the most significant issues found out in the study while recommendations are proposed purposely for improving financial accountability and efficient delivery of humanitarian work by URCS.

#### **5.2 Summary of Findings**

The goal of the study was to assess the effect of financial accountability (budget planning, internal controls and record keeping) on the execution of humanitarian work by the Uganda Red Cross Society. The study was conducted in 6 villages affected by landslide and flood disasters in Mbale district. A total of 174 respondents participated in the study. These included 131 community members affected by disaster in Mbale, 32 URCS staff involved in provision of humanitarian assistance, 04 accounts staff, one branch Coordinator for Mbale URCS office and 06 Local Council I leaders of the villages affected by disaster. Although the majority of the respondents were males, some female respondents were also interviewed in order to attain a gender-balanced comparison. The majority of the respondents were adults, literate and were engaged in farming. Such respondents were knowledgeable and mature enough to provide data on the effect of financial accountability on the execution of humanitarian work by the Uganda Red Cross Society which was being investigated.

The following summary of the study are presented according to study objectives:

### **5.2.1 The Effect of Budget Planning on the Execution of Humanitarian Work by URCS**

The results of the study revealed that URCS practiced budget planning through making of work plans, annual budget plans, implementing approved budgets and involving field staff in planning for humanitarian activities. As a result, URCS offered humanitarian support to majority of the community members who suffered losses from landslide and flood disasters in Mbale district. The humanitarian assistance given by URCS to victims of landslide and flood disasters in Mbale district included both food and non-food items. Finally, Pearson correlation index revealed a positive effect of budget planning on execution of humanitarian work by URCS.

### **5.2.2 The Effect of Internal Controls on the Execution of Humanitarian Work by URCS**

The study found that URCS had internal controls to provide management with reasonable assurance for undertaking effective humanitarian operations. The internal controls used by URCS to ensure accountability included external annual auditing of books of accounts, financial procedures to evaluate efficiency of its operations, ensure compliance, accuracy in financial records; supervisory controls to prevent errors and, safeguards for its assets from inefficient use. These internal controls regulated the use of funds for humanitarian work implying that accountability often also requires effective mechanisms of enforcement. Consequently, a positive relationship between internal controls and execution of humanitarian work was found to exist implying that internal controls had a weak positive effect on execution of humanitarian work by URCS.

### **5.2.3 The Effect of Financial Record Keeping on the Execution of Humanitarian Work by URCS**

The results of the study indicate that URCS maintained records as evidenced through maintaining proper documents regarding its business transactions, capturing financial records, accurate keeping of records on purchases, providing audit reports to relevant stakeholders, keeping records on income, expenses and, producing financial records on time. Despite this, various challenges of record keeping like lack of computerized filing system, delay of accountability and too much paper work for filling were encountered. Finally, there was a weak positive relationship between record keeping and execution of humanitarian work; implying that record keeping had a positive effect on execution of humanitarian work.

## **5.3 Discussion of Findings**

### **5.3.1 The Effect of Budget Planning on the Execution of Humanitarian Work by URCS**

The items used to measure budget planning included holding of budget meetings, planning sessions, availability of the work plan and approved budget estimates for URCS activities. The findings of the study revealed that every URCS project had a work plan to guide its humanitarian operations. This is in agreement with URCS (2008) that every year the Society shall prepare an annual work plan and budget for the URCS' departments and for each of the URCS continuing programmes. The annual work plan and budget shall be the short-term development plan of the URCS and shall be in accordance with the overall mission, goals, objectives and targets of the long/medium term plan i.e. the four-five year SDP. The work plan/budgets of the branches will be integrated into that of the Headquarters through an annual planning process that will bring together all branches/regions. All branch work plans

and budgets shall be submitted to the Region by end of July every year to be forwarded by the Secretariat to the respective donors. This is further supported by Otley (1987) that a work plan 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. The plan should be well balanced and flexible so as to incorporate changes in the resources and should be time bound. Properly covered work plans tell what, when and how something is to be done (Chandan, 1995).

The study further found that URCS makes annual budgets and every URCS project operates on an approved budget. The aim of a budget is to provide Uganda Red Cross Society (URCS) with a financial management tool enabling assessment of the cost of an operation or program, the allocation of the appropriate resources to it and their most effective utilization. The Financial Procedural Manual for the Uganda Red Cross Society (2008) further highlights the importance of the budget that it provides the National Society with the means to measure the actual performance against the planned performance on a monthly, quarterly and year-to-date basis. It provides the information required to permit early corrective action to be taken where necessary (Bendell, 2006). Good budgeting results in increased efficiency in the use of funds.

It was further revealed that URCS involves field staff in planning for humanitarian activities URCS invited staff for budget meetings. This implies that budget planning in URCS was a participatory process that involved inputs by various stakeholders. This in pursuance of the financial regulations in URCS (2008) that the mode of planning will be through a participatory approach including SWOT analysis, meetings, workshops, seminars, consultations, brainstorming sessions where ideas regarding mission, goals, objectives,



strategies and benefits etc. shall be generated, discussed and agreed by all those concerned before they are written down into a four-five year development plan. This process encourages managers to anticipate problems before they arise and hasty decisions that are made on the spur of the moment, based on expediency, rather than reasoned judgment (Drury, 1992). Similarly, Fowler (2002) observed that accountability entails answerability – the obligation on the part of public officials to inform the public about what they are doing and to provide explanations for their behaviour.

Having established the existence of budget planning in URCS, the study investigated whether community members in the area of study had received any humanitarian assistance from URCS in the previous landslide and flood disasters. The majority of the respondents received humanitarian assistance from URCS in the previous landslide and flood disasters. The nature of humanitarian assistance given by URCS to victims of landslide and flood disasters in Mbale district included: psychosocial support to victims of disasters, sensitization programmes on possible dangers of natural disasters, food items, relocation of victims, education and medical facilities as well as essential household items. This implies that URCS offered a wide range of items and services to save lives, alleviate suffering and preserve or re-establish the livelihoods of the affected populations. Analysis of funds budgeted and spent by URCS on humanitarian support to disaster victims between 2008 – 2010 revealed an upward trend of expenditure. This implies that all funds disbursed for disaster management were accounted for.

Further investigation of the effect of budget planning on the execution of humanitarian work by URCS was done by testing a null hypothesis that “*Budget planning has no significant effect on the execution of humanitarian work by URCS*” It was found that there is a positive relationship between budget planning and execution of humanitarian work. This implies that effective budget planning facilitated smooth execution of humanitarian work. Thus, budget planning had a positive effect on execution of humanitarian work.

### **The Effect of Internal Controls on the Execution of Humanitarian Work by URCS**

The internal control items assessed by the study included supervisory control, processing control, physical safeguard controls, detection control and segregation of duties among others. The results of the study revealed that URCS carries out external annual auditing of books of accounts. According to Piche (2009), audited accounts present true and fair view of business activities. The facts and figures can be used to prepare budget and estimates for the next years. The projected cash receipts and payments, income statement and balance sheet can be prepared. Besides, auditing determines the efficiency of employees (Mitchell, 2005). The training and quality management is an asset for any business. Such management can play dynamic role in framing and implementing the policies.

Other internal controls included external annual auditing of books of accounts, financial procedures to evaluate efficiency of its operations, ensure compliance, accuracy in financial records, supervisory controls to prevent errors and, safeguards for its assets from inefficient use. Similarly, the Financial Procedural Manual for the Uganda Red Cross Society (2008) highlights the types of internal control utilized by URCS as: a) supervisory control to prevent

errors which result from unauthorized or improperly authorized transactions; b) processing controls to prevent errors highlighting discrepancies before results are reported; c) physical safeguard controls relate to limiting access to assets, records, forms and to processing areas and; d) detection control to prevent or identify errors and ensure they are corrected.

There was also delegation and segregation of duties in URCS which ensured efficiency and accountability of humanitarian assistance to the community in Mbale district. Chandan (1995) supports segregation of certain key duties as a fundamental element of internal control. Adequate segregation of duties reduces the likelihood that errors (intentional or unintentional) will remain undetected by providing for separate processing by different individuals at various stages of a transaction and for independent reviews of the work performed (Rana, 2004). The basic idea underlying segregation of duties is that no employee or group should be in a position both to perpetrate and to conceal errors or fraud in the normal course of their duties (Mitchell, 2005). In general, the principal incompatible duties to be segregated are: custody of assets; authorization or approval of related transactions affecting those assets; recording or reporting of related transactions, and execution of the transaction or transaction activity.

In addition, Chandan (1995) advises that a control over the processing of a transaction generally should not be performed by the same individual responsible for recording or reporting the transaction. The requisition, ordering, receiving, paying, and general accounting activities need to be appropriately segregated if all control objectives are to be met. For example, (Neely et al, 2003) indicates that those who perform the ordering (purchasing)

activity, including those who maintain contact with outside suppliers and issue purchase orders, should not perform any receiving, accounting, or cash disbursement activities.

In order to establish the effect of internal controls on the execution of humanitarian work by URCS, a null hypothesis that “*Internal controls do not affect the execution of humanitarian work by URCS*” was tested. A positive relationship between internal controls and execution of humanitarian work was found to exist implying that internal controls facilitated execution of humanitarian work.

### **5.3.3 The Effect of Financial Record Keeping on the Execution of Humanitarian Work by URCS**

During the study, record keeping was examined by analyzing accuracy of URCS records, timeliness of activities, availability of income records, expenditure records and safety of documents. The importance of good record keeping is highlighted by Hermanson (2000) that proper documentation done in record keeping provides information about all transactions done in last several years towards filing tax returns, expenses and purchases. Through record keeping one can get information on all activities of an organization. In case of a business, the owner can judge whether the business is earning profits or going into losses. This information helps in future planning to decide where the funds need to be diverted, policy of organization regarding expenses and purchases.

Chisholm (1995) had also observed that records maintain information about all the transactions done by the business in the past several years. Records pertaining to financial,

legal aspects of the organization provide access to old information which the owner can compare with present status. This helps the managers to judge the performance of business as to whether it is in profit or loss (Mitchell, 2005). This information can help to take key policy decisions which can take the organization out from losses. This information helps in organizational performance evaluation.

Consequently, the study found out that URCS maintained records as evidenced through maintaining proper documents regarding its business transactions, capturing financial records, accurate keeping of records on purchases, providing audit reports to relevant stakeholders, keeping records on income, expenses and, producing financial records on time. This implies that URCS kept all the relevant records which eventually facilitated financial accountability and fulfillment of its objectives like provision of humanitarian assistance to victims of disaster. This idea is captured by Ebrahim (2003) that good record keeping ensures that all the transactions pertaining to finances of business, expenses, and purchases made are readily available at one place. The owner can effectively check the inflow and outflow of cash in the business. According to Neely et al (2003), cash inflows and outflows are important factors in business management. The owner can prepare cash flow statement as information about how cash is received and spend is available through records.

Record keeping was further investigated among community members who received humanitarian assistance. It was found that the majority of the community members who participated in the study had recorded the various forms of assistance and quantity received

from URCS. This indicates that record keeping was done as a way to account for the services offered and activities done by URCS.

Finally, the study investigated the statistical relationship between record keeping and execution of humanitarian work by URCS. A null hypothesis that “*Financial record keeping does not significantly affect the execution of humanitarian work by URCS*” was tested. The findings revealed that there is a positive relationship between record keeping and execution of humanitarian work. This implies that record keeping had a positive effect on execution of humanitarian work by URCS.

#### **5.4 Conclusions**

Basing on the findings and discussion of the study, the following conclusions were made in line with the three study objectives:

##### **5.4.1 The Effect of Budget Planning on the Execution of Humanitarian Work by URCS**

The study concluded that URCS practiced budget planning through making of work plans, annual budget plans, implementing approved budgets and involving field staff in planning for humanitarian activities. This enabled URCS to offer humanitarian support to majority of the community members who suffered losses from landslide and flood disasters in Mbale district. The humanitarian assistance included both food and non-food items. Consequently, there was a significant positive effect of budget planning on execution of humanitarian work by URCS.

#### **5.4.2 The Effect of Internal Controls on the Execution of Humanitarian Work by URCS**

The study further concluded that URCS implemented internal controls to provide management with reasonable assurance for undertaking effective humanitarian operations. These internal controls regulated the use of funds for humanitarian work. Consequently, a positive relationship between internal controls and execution of humanitarian work was found to exist implying that internal controls had a positive effect on execution of humanitarian work by URCS.

#### **5.4.3 The Effect of Financial Record Keeping on the Execution of Humanitarian Work by URCS**

URCS maintained records as evidenced through maintaining proper documents regarding its business transactions, accurate keeping of records on purchases and providing audit reports to relevant stakeholders among others. There was a positive relationship between record keeping and execution of humanitarian work; implying that record keeping had a positive effect on execution of humanitarian work.

### **5.5 Recommendations**

In order to improve accountability and offer efficient humanitarian assistance to populations affected by disaster, the study recommends the following:

### **5.5.1 The Effect of Budget Planning on the Execution of Humanitarian Work by URCS**

- a) This study recommends that URCS should invest in recruiting committed and skilled staff especially in the accounts department in order to prepare them for the challenging task of financial management. This will increase the capacity of URCS branches to implement budgetary control measures.
- b) Since accountability entails answerability – it is the obligation of URCS staff to inform the public about what they are doing and to provide explanations for their behaviour. Therefore, URCS management should create a situation where communication can flow up, down and sideways. URCS should be able to encourage new ideas about accountability because nobody has a monopoly of knowledge.

### **5.4.2 The Effect of Internal Controls on the Execution of Humanitarian Work by URCS**

- c) During distribution of emergency assistance, URCS staff can improve accountability by encouraging beneficiaries to sign for assistance received on the distribution sheet, delivery notes to be signed by local council leaders of the affected areas and assessment to be approved by local leaders. This will ease accountability and promote transparency in its humanitarian operations.



### **5.5.3 The Effect of Financial Record Keeping on the Execution of Humanitarian Work by URCS**

- d) URCS should invest more in training staff to use of computerized record keeping and accounting systems. This can be through sponsoring staff for accounting software courses in Universities. The use of such advanced technology will make work easy, reduce too much staff involved in tasks and prevent fraud. This will improve accountability and timely access to information which will enable URCS to respond collectively and timely to humanitarian needs by providing assistance needed to save life and reduce suffering of disaster affected populations.
- e) In order to minimize the habit of late submission of accountabilities for funds by field staff, URCS should adopt effective mechanisms of enforcement like fines, warnings and suspensions. If sanctions for malfeasance are not enforced accountability may be devoid of any real meaning.

### **5.6 Limitations of the Study**

The accomplishment of the objectives of this study was not an easy task. The following were problems that were encountered in the course of the study:

1. Some respondents were suspicious as to why the researcher wanted information related to financial accountability in URCS. This issue created anxiety as most respondents thought that the researcher being an employee of URCS may victimize them for poor accountability. However this limitation was minimized by use of introductory letters by the researcher as well as

assuring respondents that the information provided was for academic purposes only.

Due to limited time and resources, this study covered six villages out of over 10 villages affected by landslides and floods. Besides, few affected community members participated in the study. Observation of the damage caused and URCS humanitarian response at the critical time were not done because the scene of the disaster had already been interfered with. Consequently, the study observed the remains of the damage and how URCS responded to the humanitarian needs of the affected communities.

### **5.7 Contributions of the study**

The study has informed the URCS and communities about their role in distribution of essential household items, food distribution, relocation of people, sensitization on possible dangers, providing psychosocial support to the affected family, provision of medical care and education to populations affected by disasters.

The study will benefit academicians, researchers and policy makers by providing literature on the role of financial accountability on provision of humanitarian work by NGOs. Besides, this study will lead the researcher to the fulfillment of the requirements for the award of a Masters degree in management studies (financial management) of Uganda Management Institute.

The study has provided information to policy makers about the contribution of NGOs in provision of humanitarian assistance. This may prompt the Ministry of Disaster Preparedness

and development partners to determine the extent to which NGOs could be involved in provision of humanitarian assistance.

### **5.8 Areas for further study**

The study was limited to financial accountability indicators of budget planning, internal controls and record keeping. It did not investigate other variables that could have influenced lack of timely accountability among URCS staff. Besides, the study concentrated on victims of landslides and floods in Mbale district but did not consider other disasters in other districts. Therefore, studies to address these issues may be scholarly and informative.

## REFERENCES

- Active Learning Network for Accountability and Performance [ALNAP] (2002). *The Vision for ALNAP*. London: ODI: 2-3.
- Alnoor, E. (2003). Accountability in Practice: Mechanisms for NGOs. *World Development*. Vol. 31, No. 5, pp. 813–829, Great Britain.
- Amin, M. E. (2005). *Social Science Research: Conception, Methodology and Analysis*. Kampala, Uganda: Makerere University Printery.
- Anthony, R. N. & Young, D. W (1994). *Management Control in Nonprofit Organizations*, 5th ed, Richard D. Irwin, Burr Ridge, IL.
- Armstrong, M. (2006). *A Handbook on Human Resource Management*, Kogan & Page. London
- Arndt, T. & McCabe, J. (1986). Communicating the financial aspects of humanitarian NGO operations, *The Ohio CPA Journal*, pp.25-9.
- Arora, M. N. (1995). *Cost Accounting, Principles and Practice*, Fourth Edition, Vikas Publishing House.
- Ayeni V. (2004), *Public sector reforms in developing countries: A Hand book of commonwealth experience*, Commonwealth Secretariat Publisher. London. U.K.
- Bhatia, H. I (1996). *Public Finance*, Nineteenth Edition, Vikas Publishing House New Delhi, India.
- Bendell, J. (2006). *Debating NGO Accountability*. United Nations, New York and Geneva.
- Booth, P. (1993). Accounting in humanitarian organizations: a research framework and agenda, *Accounting, Auditing & Accountability Journal*, Vol. 6 No.4, pp.37-67.

- Boyce, L. F. (1984). Accounting for churches, *The Journal of Accountancy*, pp.96-102.
- Brown, D. L., Mark, H. M and Honan, J. (2004). “Building Strategic Accountability Systems for International NGOs.” In *Accountability Forum*, Issue 2.
- Chandan, J .C. (1995). *Management Theory and Practice*, Vikas Publishing House, New Dehli.
- Chisholm, L. B. (1995). Accountability of Nonprofit Organizations and those who Control Them: The Legal Framework. *Nonprofit Management and Leadership*, Vol. 6, No. 2, pp. 141–156.
- Creswell, J. W. (2003). *Research design, qualitative, quantitative and mixed methods approach* 2<sup>nd</sup> Ed), New Delhi, Sage Publication, pg 156.
- Coe, C. K and Ellis, C (1991). Internal control in state, local, and nonprofit agencies, *Public Budgeting and Finance*, pp.56-63.
- Committee of Sponsoring Organizations (1992). *Internal Control –Integrated Framework*, Committee of Sponsoring Organizations of the Treadway Commission, New York.
- Cooley, A. (2004). *The Marketplace of Humanitarian Action: A Political Economy Perspective*. Paper presented to the Social Science Research Council. New York.
- Davies, R. (2001). Record Keeping in Monitoring and Evaluation NGO Achievements. In R. B. Potter and V. Desaid (eds.), *Arnold Companion to Development Studies*. Hodder Arnold Publishers, London.
- De Vries, M.S. (2007). Accountability in the Netherlands: Exemplary in its complexity. *Public Administration Quarterly*, Vol. 31, No. 4, p. 480-507.

- Doz, Y L. (1996). The Evolution of Cooperation in Strategic Alliances: Initial Conditions or Learning Processes? *Strategic Management Journal* Vol. 17. pp. 55-83.
- Drury, C. (1992). *Management and Cost Accounting*, Third Edition, Chapman and Hall Ltd, London.
- Duncan, J. B., Flesher, D. L & Stocks, M. H (1999). Internal control systems in US churches. An examination of the effects of church size and denomination on systems of internal control. *Accounting, Auditing & Accountability Journal*, Volume 12 Number 2 1999 pp. 142-164.
- Ebrahim, A. (2003). *Accountability in Practice: Mechanisms for NGOs*. World Development, Vol. 1394.
- Edwards, M. & Hulme, D. (eds) (1996). *Beyond the magic bullet: NGO performance and accountability in post-Cold War world*, Kumarian Press, West Hartford.
- Evan, W. (1966). The organization set: toward a theory of interorganizational relations. In James D. Thompson (ed.), *Approaches to Organizational Design*, Pittsburgh, p. 173-191.
- Fowler, A. (2002). NGO Futures—Beyond Aid: NGOs Values and the Fourth Position. In Michael Edwards and Alan Fowler (eds.), *The Earthscan Reader in NGO Management*. Earthscan, London.
- Gray, B. (1987). Conditions Facilitating Interorganizational Collaboration. *Human Relations*. No. 38, p. 911-36.
- Harper, B and Harper, P (1988). Religious reporting: is it the gospel truth? *Management Accounting*, pp.34-9.

- Hermanson, H. (2000). An Analysis of the demand for reporting on internal control. *Accounting Horizons*: 325-342.
- Kenis, P. and D. Knoke (2002). How organizations field networks shape inter-organizational tie-formation rates, *Academy of Management Review* Vol. 27, No. 2, p. 275-293.
- Krejcie, R. V. and Morgan, D. W (1970). Determining Sample Size for Research Activities. *Educational and Psychology Measurement*, 30, 607-610.
- Langan, J. P. (1998). Understanding non-profit financial management, *Association Management*, pp.75-6.
- Larson, A. (1992). Network Dyads in Entrepreneurial Settings: A Study of the Governance of Exchange Relationships. *Administrative Science Quarterly*. No. 37, p. 76-104.
- Lloyd, R. (2005). *The Role of NGO Self-Regulation in Increasing Stakeholder Accountability*. One World Trust. Available: <http://www.oneworldtrust.org>
- Mackintosh, M. (1992). Questioning the state. In M. Wuyts, M. Mackintosh, & T. Hewitt (Eds.), *Development Policy and Public Action* (pp. 61–89). Oxford: Oxford University Press.
- Meigs, W. B., Whittington, O. R & Meigs, R.F (1982). *Principles of Auditing*, 7th ed, Richard D. Irwin, Homewood, IL .
- Merriam, S. B. (1998). *Qualitative Research and Case Study Applications in Education*, Jossey-Bass Publishers, San Francisco, CA.
- Mitchell, F. (2005). "Management accounting – performance evaluation", *Financial Management*, Vol. October pp.33-7.

- Najam, A. (1996). NGO accountability: a conceptual framework, *Development Policy Review*, 14, pp. 339-353
- Neely, A., Bourne, M., & Adams, C. (2003). Better budgeting or beyond budgeting?’, *measuring business excellence*, vol. 7 issue 3, pp. 22-28.
- Naidoo, K. (2004). The end of blind faith? Civil society and the challenge of accountability, legitimacy and transparency, *Accountability Forum*, Issue 2, Summer, pp. 14-23.
- OCHA, (2005). *Inter-Agency Evaluation of the Humanitarian Response to the Darfur Crisis*, B. Broughyton, S. Maguire, and S. Frueh. New York: February.
- Otley, S. (1987). Budget Use and Managerial Performance, *Journal of Accounting Research*, Vol.16 No.1.
- Piche, M. (2009). Planning and budgeting in non-profit organizations: unless the process is supported by well-defined policies and guidelines, clear strategic goals and operating priorities, it can become quite chaotic and confusing. *CMA Management*. [http://findarticles.com/p/articles/mi\\_hb6419/is\\_1\\_83/ai\\_n38019203/](http://findarticles.com/p/articles/mi_hb6419/is_1_83/ai_n38019203/)
- Provan, K.G. & P. Kenis (2007). Modes of Network Governance: structure, management and effectiveness. *Journal of Public Administration Research and Theory*. Vol. 18. No. 2, p. 229-257.
- Pyper, R. (1996). The Parameters of Accountability, in Robert Pyper (eds.), *Aspects of Accountability in the British System of Government*, 1996, (Tudor Business Publishing Ltd.).
- Rabrenovic, A. (2009). Financial accountability as a condition for EU membership. Ministry of Science and Technological Development. Belgrade.



- Rana, A. (2004). Improving accountability: the NPO certification experience in Pakistan, *Accountability Forum*, Issue 2, Summer, pp. 82-88
- Rieff, D. (2002). *A Bed for the Night: Humanitarianism in Crisis*. London: Vintage.
- Scott, W. R. (1987). Information Processing: Creating Organizations. *Organizations: Rational nature and Open Systems*. (2<sup>nd</sup> ed.) New Jersey, Prentice-Hall Inc.
- Selznick, P. (1988). *Foundation of the theory of organizations*, America, *Sociology Review*, (13 February) 25-35.
- Stein, J. G. (2007). Humanitarian Organizations: Accountable Why, to Whom, for What, and How? In Michael Barnett and Tom Weiss, eds. *Humanitarianism in Question: Politics, Power, and Ethics*. Ithaca: Cornell University Press, 2007.
- Terry, F. (2002). *Condemned to Repeat? The Paradox of Humanitarian Action*. Ithaca: Cornell University Press.
- Uganda Red Cross Society (April-June 2010). *The Humanitarian*. Uganda Red Cross Quarterly Publication, Kampala.
- Uganda Red Cross Society (2009). *Annual Audit Report for 2009*. Kampala, Uganda.
- Uganda Red Cross Society (2008). *Financial Procedural Manual*. Final version III. Kampala, Uganda.
- Verheijen, T. & Millar, M (1998). Reforming public policy processes and securing accountability: Ireland in a comparative perspective, *International Review of Administrative Sciences*.
- Yin, R (2003), *Case Study Research: Design and Methods*. London, Sage.

## APPENDIX A

### SPSS OUTPUT FOR STAFF QUESTIONNAIRE

**What is your job title in URCS?**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Focal person	2	6.3	12.5	12.5
	Branch Manager	7	21.9	43.8	56.3
	Records Clerk	1	3.1	6.3	62.5
	Project Accountant	3	9.4	18.8	81.3
	Project Director	1	3.1	6.3	87.5
	Blood donor Counselor	2	6.3	12.5	100.0
	Total	16	50.0	100.0	
Missing	System	16	50.0		
Total		32	100.0		

**What is your sex?**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	18	56.3	58.1	58.1
	Female	13	40.6	41.9	100.0
	Total	31	96.9	100.0	
Missing	System	1	3.1		
Total		32	100.0		

**What is your age category?**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	20-29 years	12	37.5	40.0	40.0
	30-39 years	15	46.9	50.0	90.0
	40-49 years	3	9.4	10.0	100.0
	Total	30	93.8	100.0	
Missing	System	2	6.3		
Total		32	100.0		

**What is your highest level of education?**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Secondary level	1	3.1	3.1	3.1
	Diploma	3	9.4	9.4	12.5
	Degree level	25	78.1	78.1	90.6
	Masters	2	6.3	6.3	96.9

ACCA, MBA	1	3.1	3.1	100.0
Total	32	100.0	100.0	

**For how long have you worked with URCS?**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2-4 years	15	46.9	48.4	48.4
	5-7 years	10	31.3	32.3	80.6
	8-10 years	5	15.6	16.1	96.8
	11 + years	1	3.1	3.2	100.0
	Total	31	96.9	100.0	
Missing	System	1	3.1		
Total		32	100.0		

**Statement: URCS invites staff for budget meetings**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	18	56.3	56.3	56.3
	Agree	9	28.1	28.1	84.4
	Undecided	2	6.3	6.3	90.6
	Disagree	2	6.3	6.3	96.9
	Strongly disagree	1	3.1	3.1	100.0
	Total	32	100.0	100.0	

**Statement: URCS makes annual budget plans.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	21	65.6	65.6	65.6
	Agree	10	31.3	31.3	96.9
	Undecided	1	3.1	3.1	100.0
	Total	32	100.0	100.0	

**Statement: Budgeting in URCS guides allocation of resources.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	12	37.5	40.0	40.0
	Agree	16	50.0	53.3	93.3
	Undecided	1	3.1	3.3	96.7
	Disagree	1	3.1	3.3	100.0
	Total	30	93.8	100.0	
Missing	System	2	6.3		
Total		32	100.0		

**Statement: Every URCSproject has a work plan**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	15	46.9	46.9	46.9
	Agree	17	53.1	53.1	100.0
	Total	32	100.0	100.0	

**Statement: Budget planning has resulted into increased efficiency in the use of funds.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	8	25.0	25.0	25.0
	Agree	17	53.1	53.1	78.1
	Undecided	5	15.6	15.6	93.8
	Disagree	2	6.3	6.3	100.0
	Total	32	100.0	100.0	

**Statement: Every URCS project operates on an approved budget.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	17	53.1	53.1	53.1
	Agree	12	37.5	37.5	90.6
	Undecided	1	3.1	3.1	93.8
	Disagree	2	6.3	6.3	100.0
	Total	32	100.0	100.0	

**Statement: URCS officers are responsible for budget processing**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	10	31.3	31.3	31.3
	Agree	17	53.1	53.1	84.4
	Undecided	3	9.4	9.4	93.8
	Disagree	2	6.3	6.3	100.0
	Total	32	100.0	100.0	

**Statement: URCS involves field staff in planning for humanitarian activities.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	9	28.1	28.1	28.1
	Agree	19	59.4	59.4	87.5
	Undecided	1	3.1	3.1	90.6
	Disagree	3	9.4	9.4	100.0
	Total	32	100.0	100.0	

**Identify two challenges that URCS faces in budget planning.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No invitation of volunteer & stakeholder for budget planning	5	15.6	16.7	16.7
	Limited funds	6	18.8	20.0	36.7
	Accountability for meetings	1	3.1	3.3	40.0
	Implementation of planned activities	1	3.1	3.3	43.3
	Incorporation of non budgeted activities	2	6.3	6.7	50.0
	Poor budget planning	7	21.9	23.3	73.3
	Fluctuation in funds	3	9.4	10.0	83.3
	Time management	3	9.4	10.0	93.3
	Corruption	1	3.1	3.3	96.7
	Donor dependence	1	3.1	3.3	100.0
	Total	30	93.8	100.0	
Missing	System	2	6.3		
Total		32	100.0		

**Identify two challenges that URCS faces in budget planning.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No invitation of volunteer & stakeholder for budget planning	3	9.4	12.0	12.0
	Limited funds	2	6.3	8.0	20.0
	Decision making	2	6.3	8.0	28.0
	Too much paper work	1	3.1	4.0	32.0
	Incorporation of non budgeted activities	4	12.5	16.0	48.0
	Poor budget planning	2	6.3	8.0	56.0
	Untimely reporting & accounting	1	3.1	4.0	60.0
	Time management	1	3.1	4.0	64.0
	Poor staff & stakeholder orientation	1	3.1	4.0	68.0
	Untimely transfer of funds	1	3.1	4.0	72.0
	Embezzlement	1	3.1	4.0	76.0
	Transparency & financial monitoring	1	3.1	4.0	80.0
	Appropriate allocation of funds	2	6.3	8.0	88.0
	Donor dependence	3	9.4	12.0	100.0
	Total	25	78.1	100.0	
Missing	System	7	21.9		

Total	32	100.0	
-------	----	-------	--

**Identify two challenges that URCS faces in budget planning.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Poor budget planning	1	3.1	50.0	50.0
Time management	1	3.1	50.0	100.0
Total	2	6.3	100.0	
Missing System	30	93.8		
Total	32	100.0		

**Statement: URCS safeguards its assets from inefficient use.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly agree	7	21.9	21.9	21.9
Agree	18	56.3	56.3	78.1
Undecided	3	9.4	9.4	87.5
Disagree	3	9.4	9.4	96.9
Strongly disagree	1	3.1	3.1	100.0
Total	32	100.0	100.0	

**Statement: URCS has financial procedures to evaluate efficiency of its operations.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly agree	15	46.9	46.9	46.9
Agree	16	50.0	50.0	96.9
Disagree	1	3.1	3.1	100.0
Total	32	100.0	100.0	

**Statement: URCS has financial procedures to enhance accuracy in financial records.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly agree	13	40.6	40.6	40.6
Agree	15	46.9	46.9	87.5
Undecided	3	9.4	9.4	96.9
Disagree	1	3.1	3.1	100.0
Total	32	100.0	100.0	

**Statement: There is transparency in management of URCS affairs.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly agree	7	21.9	21.9	21.9
Agree	12	37.5	37.5	59.4
Undecided	6	18.8	18.8	78.1
Disagree	4	12.5	12.5	90.6

Strongly disagree	3	9.4	9.4	100.0
Total	32	100.0	100.0	

**Statement: URCS has financial procedures to ensure compliance**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly agree	9	28.1	28.1	28.1
Agree	20	62.5	62.5	90.6
Undecided	3	9.4	9.4	100.0
Total	32	100.0	100.0	

**Statement: URCS has financial procedures that promote fairness**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly agree	3	9.4	9.4	9.4
Agree	21	65.6	65.6	75.0
Undecided	6	18.8	18.8	93.8
Disagree	2	6.3	6.3	100.0
Total	32	100.0	100.0	

**Statement: URCS has mechanisms that ensure adherence to management policies**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly agree	6	18.8	19.4	19.4
Agree	23	71.9	74.2	93.5
Disagree	2	6.3	6.5	100.0
Total	31	96.9	100.0	
Missing System	1	3.1		
Total	32	100.0		

**Statement: URCS has supervisory controls to prevent errors.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly agree	8	25.0	25.0	25.0
Agree	18	56.3	56.3	81.3
Undecided	4	12.5	12.5	93.8
Disagree	2	6.3	6.3	100.0
Total	32	100.0	100.0	

**Statement: URCS has processing controls to prevent errors**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly agree	6	18.8	18.8	18.8
Agree	19	59.4	59.4	78.1
Undecided	7	21.9	21.9	100.0
Total	32	100.0	100.0	

**Statement: Segregation of duties is another internal control of URCS to reduce fraud.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly agree	4	12.5	13.3	13.3
Agree	16	50.0	53.3	66.7
Undecided	8	25.0	26.7	93.3
Strongly disagree	2	6.3	6.7	100.0
Total	30	93.8	100.0	
Missing System	2	6.3		
Total	32	100.0		

**Statement: URCS carries out external annual auditing of books of accounts.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly agree	22	68.8	68.8	68.8
Agree	9	28.1	28.1	96.9
Undecided	1	3.1	3.1	100.0
Total	32	100.0	100.0	

**Statement: URCS carries out external annual auditing of books of accounts.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly agree	22	68.8	68.8	68.8
Agree	9	28.1	28.1	96.9
Undecided	1	3.1	3.1	100.0
Total	32	100.0	100.0	

**Mention any two challenges affecting URCS internal controls.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Incomputerised system of accounting	1	3.1	3.6	3.6
Inadequate staff training	2	6.3	7.1	10.7
Ineffective managers	4	12.5	14.3	25.0
Nepotism	1	3.1	3.6	28.6
Inadequate staff members	1	3.1	3.6	32.1



	Delay in transfer of funds to offices	5	15.6	17.9	50.0
	Lack of integrity & transparency	2	6.3	7.1	57.1
	Poor information dissemination	2	6.3	7.1	64.3
	Lack of awareness	4	12.5	14.3	78.6
	Unclear control guideline	2	6.3	7.1	85.7
	Poor environment control	1	3.1	3.6	89.3
	URCS branches are many	2	6.3	7.1	96.4
	Poor monitoring mechanism	1	3.1	3.6	100.0
	Total	28	87.5	100.0	
Missing	System	4	12.5		
Total		32	100.0		

**Mention any two challenges affecting URCS internal controls.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Inadequate staff training	1	3.1	4.3	4.3
	Ineffective managers	4	12.5	17.4	21.7
	Nepotism	1	3.1	4.3	26.1
	Bureaucracy	1	3.1	4.3	30.4
	Delay in transfer of funds to offices	1	3.1	4.3	34.8
	Poor communication system	2	6.3	8.7	43.5
	Delay of workers' payment	3	9.4	13.0	56.5
	Favouritism	1	3.1	4.3	60.9
	Poor information dissemination	2	6.3	8.7	69.6
	Lack of awareness	2	6.3	8.7	78.3
	Unclear control guideline	4	12.5	17.4	95.7
	Poor monitoring mechanism	1	3.1	4.3	100.0
	Total	23	71.9	100.0	
Missing	System	9	28.1		
Total		32	100.0		

**Mention any two challenges affecting URCS internal controls.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Corruption	1	3.1	100.0	100.0
Missing	System	31	96.9		
Total		32	100.0		

**Statement: URCS maintains proper documents regarding its business transactions.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	15	46.9	46.9	46.9
	Agree	14	43.8	43.8	90.6
	Undecided	1	3.1	3.1	93.8
	Disagree	2	6.3	6.3	100.0
	Total	32	100.0	100.0	

**Statement: URCS records pertaining to the finances are accurately captured.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	14	43.8	45.2	45.2
	Agree	14	43.8	45.2	90.3
	Undecided	1	3.1	3.2	93.5
	Disagree	2	6.3	6.5	100.0
	Total	31	96.9	100.0	
Missing	System	1	3.1		
Total		32	100.0		

**Statement: URCS records on pertaining to expenses are safely kept**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	9	28.1	28.1	28.1
	Agree	16	50.0	50.0	78.1
	Undecided	4	12.5	12.5	90.6
	Disagree	3	9.4	9.4	100.0
	Total	32	100.0	100.0	

**Statement: URCS records on income are safely kept**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	8	25.0	25.0	25.0
	Agree	17	53.1	53.1	78.1
	Undecided	5	15.6	15.6	93.8
	Disagree	1	3.1	3.1	96.9
	Strongly disagree	1	3.1	3.1	100.0
	Total	32	100.0	100.0	

**Statement: URCS records on income are safely kept**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	8	25.0	25.0	25.0
	Agree	17	53.1	53.1	78.1
	Undecided	5	15.6	15.6	93.8
	Disagree	1	3.1	3.1	96.9
	Strongly disagree	1	3.1	3.1	100.0
	Total	32	100.0	100.0	

**Statement: URCS records on purchases made are accurately kept**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	10	31.3	32.3	32.3
	Agree	16	50.0	51.6	83.9
	Undecided	3	9.4	9.7	93.5
	Disagree	2	6.3	6.5	100.0
	Total	31	96.9	100.0	
Missing	System	1	3.1		
	Total	32	100.0		

**Statement: URCS management can effectively check outflows of cash.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	6	18.8	18.8	18.8
	Agree	17	53.1	53.1	71.9
	Undecided	8	25.0	25.0	96.9
	Disagree	1	3.1	3.1	100.0
	Total	32	100.0	100.0	

**Statement: Audit reports of URCS are provided to relevant stakeholders.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	13	40.6	40.6	40.6
	Agree	12	37.5	37.5	78.1
	Undecided	4	12.5	12.5	90.6
	Disagree	3	9.4	9.4	100.0
	Total	32	100.0	100.0	

**Statement: Financial records of URCS are produced on time.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	3	9.4	9.7	9.7
	Agree	19	59.4	61.3	71.0
	Undecided	2	6.3	6.5	77.4
	Disagree	4	12.5	12.9	90.3
	Strongly disagree	3	9.4	9.7	100.0
	Total	31	96.9	100.0	
Missing	System	1	3.1		
Total		32	100.0		

**Mention any two challenges of record keeping by URCS.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Poor filing system	11	34.4	40.7	40.7
	Lack of staff refresher courses	3	9.4	11.1	51.9
	Ineffectiveness by officials	1	3.1	3.7	55.6
	Delay of accountability	1	3.1	3.7	59.3
	Too much paper work	1	3.1	3.7	63.0
	Lack of qualified personnel in accounting	6	18.8	22.2	85.2
	Insecurity	1	3.1	3.7	88.9
	Shortage of record storage facilities	2	6.3	7.4	96.3
	Insufficient staff members	1	3.1	3.7	100.0
	Total	27	84.4	100.0	
	Missing	System	5	15.6	
Total		32	100.0		

**Mention any two challenges of record keeping by URCS.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Poor filing system	3	9.4	15.8	15.8
	No supervision & monitoring of record keeping	1	3.1	5.3	21.1
	Ineffectiveness by officials	1	3.1	5.3	26.3
	Allocation of information	1	3.1	5.3	31.6
	Delay of accountability	1	3.1	5.3	36.8
	Too much paper work	2	6.3	10.5	47.4
	Understaffing	2	6.3	10.5	57.9
	Lack of qualified personnel in accounting	2	6.3	10.5	68.4
	Insecurity	3	9.4	15.8	84.2

	Shortage of record storage facilities	3	9.4	15.8	100.0
	Total	19	59.4	100.0	
Missing	System	13	40.6		
Total		32	100.0		

**Mention any two challenges of record keeping by URCS.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Too much paper work	1	3.1	50.0	50.0
	Over expenditure	1	3.1	50.0	100.0
	Total	2	6.3	100.0	
Missing	System	30	93.8		
Total		32	100.0		

**Mention any two challenges of record keeping by URCS.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Shortage of record storage facilities	1	3.1	100.0	100.0
Missing	System	31	96.9		
Total		32	100.0		

**Statement: URCS often provide essential household items to victims of disaster in Mbale region**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	14	43.8	43.8	43.8
	Agree	13	40.6	40.6	84.4
	Undecided	4	12.5	12.5	96.9
	Strongly disagree	1	3.1	3.1	100.0
Total		32	100.0	100.0	

**Statement: URCS provide food items to victims of disasters in Mbale region**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	10	31.3	31.3	31.3
	Agree	13	40.6	40.6	71.9
	Undecided	5	15.6	15.6	87.5
	Disagree	4	12.5	12.5	100.0
Total		32	100.0	100.0	

**Statement: URCS often relocates victims of disasters in Mbale region**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly agree	3	9.4	9.4	9.4
Agree	12	37.5	37.5	46.9
Undecided	12	37.5	37.5	84.4
Disagree	4	12.5	12.5	96.9
Strongly disagree	1	3.1	3.1	100.0
Total	32	100.0	100.0	

**Statement: URCS often carries out sensitization programmes on possible dangers of natural disaster**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly agree	12	37.5	37.5	37.5
Agree	16	50.0	50.0	87.5
Undecided	3	9.4	9.4	96.9
Disagree	1	3.1	3.1	100.0
Total	32	100.0	100.0	

**Statement: URCS often provide psychosocial support to victims of disasters in Mbale region**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly agree	8	25.0	26.7	26.7
Agree	16	50.0	53.3	80.0
Undecided	2	6.3	6.7	86.7
Disagree	4	12.5	13.3	100.0
Total	30	93.8	100.0	
Missing System	2	6.3		
Total	32	100.0		

**Statement: URCS often provide medical care to victims of disasters in Mbale region**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly agree	4	12.5	12.5	12.5
Agree	7	21.9	21.9	34.4
Undecided	11	34.4	34.4	68.8
Disagree	3	9.4	9.4	78.1
Strongly disagree	7	21.9	21.9	100.0
Total	32	100.0	100.0	

**Statement: URCS often provide education to victims of disasters in Mbale region**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	2	6.3	6.3	6.3
	Agree	6	18.8	18.8	25.0
	Undecided	11	34.4	34.4	59.4
	Disagree	5	15.6	15.6	75.0
	Strongly disagree	8	25.0	25.0	100.0
	Total	32	100.0	100.0	

**Statement: URCS often advocate for support from various stakeholders.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	16	50.0	51.6	51.6
	Agree	11	34.4	35.5	87.1
	Undecided	4	12.5	12.9	100.0
	Total	31	96.9	100.0	
Missing	System	1	3.1		
Total		32	100.0		

**List two challenges affecting humanitarian work of URCS in Mbale region.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Inadequate funds & other resources	10	31.3	34.5	34.5
	No allowance	2	6.3	6.9	41.4
	High rate of volunteer turnover	1	3.1	3.4	44.8
	Volunteer competition	1	3.1	3.4	48.3
	Limited assistance dissemination	1	3.1	3.4	51.7
	Insufficient staff members	2	6.3	6.9	58.6
	Volunteer incentive	3	9.4	10.3	69.0
	Resistance of beneficiaries	2	6.3	6.9	75.9
	Poor budget planning	1	3.1	3.4	79.3
	Time management	1	3.1	3.4	82.8
	Poor transport network	2	6.3	6.9	89.7
	Little volunteer support	1	3.1	3.4	93.1
	Cultural beliefs & norms	2	6.3	6.9	100.0
	Total	29	90.6	100.0	
Missing	System	3	9.4		
Total		32	100.0		

**List two challenges affecting humanitarian work of URCS in Mbale region.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Inadequate funds & other resources	2	6.3	7.7	7.7
	No allowance	3	9.4	11.5	19.2
	Ineffectiveness among officials <sup>5</sup>	1	3.1	3.8	23.1
	Insecurity	1	3.1	3.8	26.9
	Decision making	1	3.1	3.8	30.8
	High rate of volunteer turnover	1	3.1	3.8	34.6
	Volunteer competition	1	3.1	3.8	38.5
	Limited assistance dissemination	1	3.1	3.8	42.3
	Insufficient staff members	3	9.4	11.5	53.8
	Disaster	1	3.1	3.8	57.7
	Community remoteness	1	3.1	3.8	61.5
	Poor budget planning	1	3.1	3.8	65.4
	Inadequate logistical support	2	6.3	7.7	73.1
	Favouritism	1	3.1	3.8	76.9
	Community over expectation of assistance	6	18.8	23.1	100.0
	Total	26	81.3	100.0	
Missing	System	6	18.8		
Total		32	100.0		

**List two challenges affecting humanitarian work of URCS in Mbale region.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Inadequate funds & other resources	1	3.1	100.0	100.0
Missing	System	31	96.9		
Total		32	100.0		

**Suggest how the above challenges can be overcome.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Inviting support from all stakeholders	3	9.4	11.5	11.5
	Increasing sensitization at all levels	6	18.8	23.1	34.6
	Solicit more funds	5	15.6	19.2	53.8
	Providing staff allowance	1	3.1	3.8	57.7
	Promote volunteer incentive	2	6.3	7.7	65.4



	Recruit qualified staff personnel	3	9.4	11.5	76.9
	Funds region setting	1	3.1	3.8	80.8
	Adapting adequate planning & lobbying	1	3.1	3.8	84.6
	Intervention of about roads	1	3.1	3.8	88.5
	Establishing income generating activities	2	6.3	7.7	96.2
	Giving out motorcycles to help in transport	1	3.1	3.8	100.0
	Total	26	81.3	100.0	
Missing	System	6	18.8		
Total		32	100.0		

**Suggest how the above challenges can be overcome.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Increasing sensitization at all levels	2	6.3	10.5	10.5
	Solicit more funds	5	15.6	26.3	36.8
	Adapting staff refresher courses	1	3.1	5.3	42.1
	Disseminating assistance at all community levels	2	6.3	10.5	52.6
	Including volunteers & stakeholders in decision making	1	3.1	5.3	57.9
	Promote volunteer incentive	2	6.3	10.5	68.4
	Recruit qualified staff personnel	1	3.1	5.3	73.7
	Funds region setting	1	3.1	5.3	78.9
	Providing relief items in Mbale	2	6.3	10.5	89.5
	Relocating people faced by disaster	1	3.1	5.3	94.7
	Strengthening internal control	1	3.1	5.3	100.0
	Total	19	59.4	100.0	
Missing	System	13	40.6		
Total		32	100.0		

**Suggest how the above challenges can be overcome.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Increasing sensitization at all levels	1	3.1	33.3	33.3
	Promoting transparency	1	3.1	33.3	66.7
	Providing better communication system	1	3.1	33.3	100.0
	Total	3	9.4	100.0	
Missing	System	29	90.6		
Total		32	100.0		

**Suggest strategies of improving accountability in URCS.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Recruiting committed & skilled personnel	2	6.3	6.7	6.7
	Strictly sensitize staff about financial procedures	9	28.1	30.0	36.7
	Involving all key personnel in decision making & planning	2	6.3	6.7	43.3
	Conducting training in accountability	1	3.1	3.3	46.7
	Implementing computerised accounting system	2	6.3	6.7	53.3
	Promoting incentive	2	6.3	6.7	60.0
	Being open to one another	1	3.1	3.3	63.3
	Promoting transparency & integrity	2	6.3	6.7	70.0
	Enforcing policies that are in place	1	3.1	3.3	73.3
	Timely deliver of funds	4	12.5	13.3	86.7
	Regular staff orientation	1	3.1	3.3	90.0
	Stringent internal control	1	3.1	3.3	93.3
	Timely & regular financial monitoring	1	3.1	3.3	96.7
	Strengthening regionalisation	1	3.1	3.3	100.0
	Total	30	93.8	100.0	
Missing	System	2	6.3		
Total		32	100.0		

**Suggest strategies of improving accountability in URCS.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Recruiting committed & skilled personnel	1	3.1	5.9	5.9
	Strictly sensitize staff about financial procedures	3	9.4	17.6	23.5
	Involving all key personnel in decision making & planning	1	3.1	5.9	29.4
	Conducting training in accountability	1	3.1	5.9	35.3
	Implementing computerised accounting system	1	3.1	5.9	41.2
	Being open to one another	1	3.1	5.9	47.1
	Promoting transparency & integrity	2	6.3	11.8	58.8
	Enforcing policies that are in place	1	3.1	5.9	64.7
	Timely deliver of funds	2	6.3	11.8	76.5
	Stringent internal control	3	9.4	17.6	94.1
	Timely & regular financial monitoring	1	3.1	5.9	100.0
	Total	17	53.1	100.0	
Missing	System	15	46.9		
Total		32	100.0		

**Suggest strategies of improving accountability in URCS.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strictly sensitize staff about financial procedures	1	3.1	12.5	12.5
	Implementing computerised accounting system	1	3.1	12.5	25.0
	Enforcing policies that are in place	2	6.3	25.0	50.0
	Stringent internal control	1	3.1	12.5	62.5
	Timely & regular financial monitoring	3	9.4	37.5	100.0
	Total	8	25.0	100.0	
Missing	System	24	75.0		
Total		32	100.0		

**Suggest strategies of improving accountability in URCS.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Recruiting committed & skilled personnel	1	3.1	50.0	50.0
	Regular staff orientation	1	3.1	50.0	100.0
	Total	2	6.3	100.0	
Missing	System	30	93.8		
Total		32	100.0		

		Budget planning	Humanitarian work
Budget planning	Pearson Correlation	1	.215
	Sig. (2-tailed)		.037
	N	32	32
Humanitarian work	Pearson Correlation	.215	1
	Sig. (2-tailed)	.037	
	N	32	32

		Internal controls	Humanitarian work
Internal controls	Pearson Correlation	1	.010
	Sig. (2-tailed)		.959
	N	32	32
Humanitarian work	Pearson Correlation	.010	1
	Sig. (2-tailed)	.959	
	N	32	32

		Record keeping	Humanitarian work
Record keeping	Pearson Correlation	1	.070
	Sig. (2-tailed)		.705
	N	32	32
Humanitarian work	Pearson Correlation	.070	1
	Sig. (2-tailed)	.705	
	N	32	32

## APPENDIX B

### SPSS OUTPUT FOR THE HOUSEHOLD QUESTIONNAIRE

**What is the name of your village?**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Nametsi	20	15.3	17.4	17.4
	Nakoyonzo	7	5.3	6.1	23.5
	Masakhana	18	13.7	15.7	39.1
	Marakalu	8	6.1	7.0	46.1
	Tunwatsi	15	11.5	13.0	59.1
	Murwerwe	8	6.1	7.0	66.1
	Bulumela	6	4.6	5.2	71.3
	Monye	6	4.6	5.2	76.5
	Mabale	6	4.6	5.2	81.7
	Maika	3	2.3	2.6	84.3
	Walanga	3	2.3	2.6	87.0
	Bukharela	3	2.3	2.6	89.6
	Subiisi	6	4.6	5.2	94.8
	Kubewo	2	1.5	1.7	96.5
	Marvo	4	3.1	3.5	100.0
	Total		115	87.8	100.0
Missing	System	16	12.2		
Total		131	100.0		

**What is your sex?**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	99	75.6	75.6	75.6
	Female	32	24.4	24.4	100.0
Total		131	100.0	100.0	

**What is your age category?**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 20 years	3	2.3	2.3	2.3
	20-29 years	44	33.6	33.6	35.9
	30-39 years	29	22.1	22.1	58.0
	40-49 years	13	9.9	9.9	67.9
	50 + years	42	32.1	32.1	100.0
Total		131	100.0	100.0	

**What is your highest level of education?**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No formal education	30	22.9	22.9	22.9
	Primary level	69	52.7	52.7	75.6
	Secondary level	32	24.4	24.4	100.0
	Total	131	100.0	100.0	

**What activity do you do to earn a living?**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Farming	111	84.7	87.4	87.4
	LC official	12	9.2	9.4	96.9
	Unemployed	4	3.1	3.1	100.0
	Total	127	96.9	100.0	
Missing	System	4	3.1		
Total		131	100.0		

**What activity do you do to earn a living?**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Trading	6	4.6	100.0	100.0
Missing	System	125	95.4		
Total		131	100.0		

**How many dependants do you have in your household?**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 3 persons	15	11.5	11.5	11.5
	3-5 persons	55	42.0	42.0	53.4
	6-9 persons	52	39.7	39.7	93.1
	10 persons and above	9	6.9	6.9	100.0
	Total	131	100.0	100.0	

**Have you ever received any humanitarian assistance from URCS during the previous disaster?**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	107	81.7	81.7	81.7
	No	24	18.3	18.3	100.0
	Total	131	100.0	100.0	

**If yes, what type of humanitarian assistance was it?**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Food	72	55.0	64.3	64.3
	Clothes	4	3.1	3.6	67.9
	Utensils	6	4.6	5.4	73.2
	Bedroom items	19	14.5	17.0	90.2
	Juice	3	2.3	2.7	92.9
	Mats	3	2.3	2.7	95.5
	None	5	3.8	4.5	100.0
	Total	112	85.5	100.0	
Missing	System	19	14.5		
Total		131	100.0		

**If yes, what type of humanitarian assistance was it?**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Clothes	3	2.3	3.0	3.0
	Utensils	26	19.8	26.3	29.3
	Water	9	6.9	9.1	38.4
	Bedroom items	16	12.2	16.2	54.5
	Tents	3	2.3	3.0	57.6
	Soap	6	4.6	6.1	63.6
	Basin	12	9.2	12.1	75.8
	Mosquito nets	3	2.3	3.0	78.8
	Sugar	21	16.0	21.2	100.0
	Total	99	75.6	100.0	
	Missing	System	32	24.4	
Total		131	100.0		

**If yes, what type of humanitarian assistance was it?**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Food	10	7.6	17.5	17.5
	Clothes	3	2.3	5.3	22.8
	Utensils	15	11.5	26.3	49.1
	Water	6	4.6	10.5	59.6
	Bedroom items	12	9.2	21.1	80.7
	Soap	6	4.6	10.5	91.2
	Basin	5	3.8	8.8	100.0
	Total	57	43.5	100.0	
Missing	System	74	56.5		
Total		131	100.0		

**If yes, what type of humanitarian assistance was it?**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Water	3	2.3	12.5	12.5
	Bedroom items	6	4.6	25.0	37.5
	Medicine	3	2.3	12.5	50.0
	Soap	6	4.6	25.0	75.0
	Basin	3	2.3	12.5	87.5
	Sugar	3	2.3	12.5	100.0
	Total	24	18.3	100.0	
Missing	System	107	81.7		
Total		131	100.0		

**If yes, what type of humanitarian assistance was it?**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Clothes	3	2.3	100.0	100.0
Missing	System	128	97.7		
Total		131	100.0		

**Statement: URCS often provides essential household items to victims of disasters in Mbale region.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	28	21.4	22.6	22.6
	Agree	45	34.4	36.3	58.9
	Undecided	3	2.3	2.4	61.3
	Strongly disagree	48	36.6	38.7	100.0
	Total	124	94.7	100.0	
Missing	System	7	5.3		
Total		131	100.0		

**Statement: URCS often provides food to victims of disasters in Mbale region.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	61	46.6	54.0	54.0
	Agree	40	30.5	35.4	89.4
	Strongly disagree	12	9.2	10.6	100.0
	Total	113	86.3	100.0	
Missing	System	18	13.7		
Total		131	100.0		



**Statement: URCS often relocates victims of disasters in Mbale region.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly agree	55	42.0	42.0	42.0
Agree	36	27.5	27.5	69.5
Undecided	11	8.4	8.4	77.9
Disagree	6	4.6	4.6	82.4
Strongly disagree	23	17.6	17.6	100.0
Total	131	100.0	100.0	

**Statement: URCS often carries out sensitization programmes on possible dangers of natural disasters.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly agree	62	47.3	50.4	50.4
Agree	49	37.4	39.8	90.2
Disagree	6	4.6	4.9	95.1
Strongly disagree	6	4.6	4.9	100.0
Total	123	93.9	100.0	
Missing System	8	6.1		
Total	131	100.0		

**Statement: URCS often provides psychosocial support to victims of disasters in Mbale region.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly agree	68	51.9	53.1	53.1
Agree	53	40.5	41.4	94.5
Disagree	7	5.3	5.5	100.0
Total	128	97.7	100.0	
Missing System	3	2.3		
Total	131	100.0		

**Statement: URCS often provides medical care to victims of disasters in Mbale region.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly agree	48	36.6	37.5	37.5
Agree	37	28.2	28.9	66.4
Undecided	10	7.6	7.8	74.2
Disagree	3	2.3	2.3	76.6
Strongly disagree	30	22.9	23.4	100.0
Total	128	97.7	100.0	
Missing System	3	2.3		
Total	131	100.0		

**Statement: URCS often provides education facilities to victims of disasters in Mbale region.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	41	31.3	34.5	34.5
	Agree	45	34.4	37.8	72.3
	Undecided	19	14.5	16.0	88.2
	Strongly disagree	14	10.7	11.8	100.0
	Total	119	90.8	100.0	
Missing	System	12	9.2		
Total		131	100.0		

**Was the assistance sufficient to save lives of populations affected by disasters?**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	74	56.5	56.5	56.5
	No	57	43.5	43.5	100.0
Total		131	100.0	100.0	

**Did you write on any document or sign anywhere as evidence that you had recieved humanitariaan assistance?**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	93	71.0	71.0	71.0
	No	38	29.0	29.0	100.0
Total		131	100.0	100.0	

**Identify the problems faced in accessing humanitarian assistance from URCS?**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	High demand for assistance in community	3	2.3	2.6	2.6
	Insufficient funds	86	65.6	75.4	78.1
	Lack of monitoring mechanisms	4	3.1	3.5	81.6
	The staff members are unsympathetic	6	4.6	5.3	86.8
	Assistance is based on identification mechanism	6	4.6	5.3	92.1
	Assistance is delayed	3	2.3	2.6	94.7
	None	6	4.6	5.3	100.0
	Total	114	87.0	100.0	
Missing	System	17	13.0		
Total		131	100.0		

**Identify the problems faced in accessing humanitarian assistance from URCS?**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	High demand for assistance in community	6	4.6	24.0	24.0
	Insufficient funds	3	2.3	12.0	36.0
	The staff members are unsympathetic	10	7.6	40.0	76.0
	Assistance is based on identification mechanism	3	2.3	12.0	88.0
	Poor organisation	3	2.3	12.0	100.0
	Total	25	19.1	100.0	
Missing	System	106	80.9		
Total		131	100.0		

**Suggest how the above challenges can be overcome.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Providing sufficient funds	49	37.4	60.5	60.5
	Implementing supervision & monitoring of operations	7	5.3	8.6	69.1
	Alteration unsympathetic staff members	7	5.3	8.6	77.8
	Assistance dissemination	6	4.6	7.4	85.2
	Bringing offices nearer to people	9	6.9	11.1	96.3
	Promoting timely assistance	3	2.3	3.7	100.0
	Total	81	61.8	100.0	
Missing	System	50	38.2		
Total		131	100.0		

**Suggest how the above challenges can be overcome.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Providing sufficient funds	3	2.3	11.5	11.5
	Alteration unsympathetic staff members	6	4.6	23.1	34.6
	Assistance dissemination	7	5.3	26.9	61.5
	Bringing offices nearer to people	7	5.3	26.9	88.5
	Implementing procedures for operations	3	2.3	11.5	100.0
	Total	26	19.8	100.0	
Missing	System	105	80.2		
Total		131	100.0		

## APPENDIX C

### RELIABILITY AND CVI CALCULATIONS

#### a) Reliability Coefficient of URCS Staff Questionnaire

##### Reliability

\*\*\*\*\* Method 1 (space saver) will be used for this analysis \*\*\*\*\*

R E L I A B I L I T Y   A N A L Y S I S   -   S C A  
L E   ( A L P H A )

Reliability Coefficients

Cronbach's Alpha	N of Items
.6359	32

#### b) Computation of Content Validity Index (CVI)

Content Validity Index (CVI) computation is

CVI =  $\frac{\text{Total items rated relevant by all judges}}{\text{Total number of items in the instrument}}$

$$\frac{38}{48} \times \frac{35}{48} = \frac{73/2}{48} = \frac{36}{48} = 0.76$$

$$\therefore \text{CVI} = 0.76$$

## APPENDIX D

### QUESTIONNAIRE FOR URCS STAFF

Dear Respondent,

This questionnaire is for the purpose of collecting information about “*Financial accountability and humanitarian work of NGOs in Uganda: A case study of Uganda Red Cross, Mbale region*” The information is needed as a partial requirements for a Master of Management Studies (Financial Management) of Uganda Management Institute The information is NOT meant for any other purpose; and therefore the responses will be kept with utmost confidentiality. You are therefore kindly requested to cooperate in answering the questions honestly to provide the required information.

Thank you.

#### **SECTION A: BACKGROUND INFORMATION OF RESPONDENTS**

(Tick (√) the correct alternative or write your response in the space provided)

1. What is your job title in URCS? (optional) \_\_\_\_\_

2. What is your sex?

1. Male

2. Female

4. What is your age category? (Please tick in the box below your answer)

Below 20 years	20-29 years	30-39 years	40 – 49 years	50+ years

5. What is your highest level of education? (Please tick one of them).

Primary Level	Secondary level	Diploma level	Degree level	Any other qualification

6. For how long have you worked with URCS?

Less than 1 year	<input type="checkbox"/>
2-4 years	<input type="checkbox"/>
5-7 years	<input type="checkbox"/>
8-10 years	<input type="checkbox"/>
11+ years	<input type="checkbox"/>

**SECTION B: BUDGET PLANNING IN URCS**

B1. This section contains a number of statements about **budget planning** in URCS. Kindly express your opinion by ticking one of the given responses (*Strongly Agree, Agree, undecided, Disagree and Strongly disagree*).

Statement	Strongly agree	Agree	Undecided	Disagree	Strongly disagree
1. URCS invites staff for budget meetings					
2. URCS makes annual budget plans					
3. Budgeting in URCS guides allocation of resources					
4. Every URCS project has a work plan					
5. Budget planning has resulted into increased efficiency in the use of funds					
6. Every URCS project operates on an approved budget.					
7. URCS officers are responsible for budget processing					
8. URCS involves field staff in planning for humanitarian activities					

B2. Identify two challenges that URCS faces in budget planning

1 \_\_\_\_\_

\_\_\_\_\_

2 \_\_\_\_\_

\_\_\_\_\_

**SECTION C: INTERNAL CONTROLS IN URCS**

C1. This section contains a number of statements about **internal controls** in URCS. Kindly express your opinion by ticking one of the given responses (*Strongly Agree, Agree, undecided, Disagree and Strongly disagree*).

Statement	Strongly agree	Agree	Undecided	Disagree	Strongly disagree
1. URCS safeguards its assets from inefficient					

use.					
2. URCS has financial procedures to evaluate efficiency of its operations					
3. URCS has financial procedures to enhance accuracy in financial records					
4. There is transparency in management of URCS affairs					
5. URCS has financial procedures to ensure compliance					
7. URCS has financial procedures that promote fairness					
8. URCS has mechanisms that ensure adherence to management policies					
9. URCS has supervisory controls to prevent errors					
10. URCS has processing controls to prevent errors					
11. Segregation of duties is another internal control of URCS to reduce fraud.					
12. URCS carries out external annual auditing of books of accounts					

C2. Mention any two challenges affecting URCS internal controls

1 \_\_\_\_\_

2 \_\_\_\_\_

**SECTION D: RECORD KEEPING IN URCS**

D1. This section contains a number of statements about **record keeping** in URCS. Kindly express your opinion by ticking one of the given responses (*Strongly Agree, Agree, undecided, Disagree and Strongly disagree*).

<b>Statement</b>	<b>Strongly agree</b>	<b>Agree</b>	<b>Undecided</b>	<b>Disagree</b>	<b>Strongly disagree</b>
1. URCS maintains proper documents regarding its business transactions					
2. URCS records pertaining to the finances are accurately captured					
3. URCS records pertaining to expenses are safely kept					
4. URCS records on income are safely kept					
5. URCS records on purchases made are					



accurately kept					
6. URCS management can effectively check outflows of cash					
7. Audit reports of URCS are provided to relevant stakeholders					
8. Financial records of URCS are produced on time					

C2. Mention any two challenges of record keeping by URCS

1. \_\_\_\_\_

\_\_\_\_\_ 2. \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

### SECTION E: HUMANITARIAN WORK OF URCS

E1. This section contains a number of statements about humanitarian assistance provided by URCS to victims of landslide and flood disasters in Mbale district. Kindly express your opinion by ticking one of the given responses (*Strongly Agree, Agree, undecided, Disagree and Strongly disagree*).

Statement	Strongly agree	Agree	Undecided	Disagree	Strongly disagree
1. URCS often provide essential household items to victims of disaster in Mbale region					
2. URCS provide food items to victims of disasters in Mbale region					
3. URCS often relocates victims of disasters in Mbale region					
4. URCS often carries out sensitization programmes on possible dangers of natural disasters					
5. URCS often provide psychosocial support to victims of disasters in Mbale region					
6. URCS often provide medical care to victims of disasters in Mbale region					
7. URCS often provide education to victims of disasters in Mbale region					
8. URCS often advocate for support from various stakeholders					

E2. List two challenges affecting humanitarian work of URCS in Mbale region

1. \_\_\_\_\_  
\_\_\_\_\_ 2. \_\_\_\_\_  
\_\_\_\_\_

E3. Suggest how the above challenges can be overcome

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

E4. Suggest strategies of improving accountability in URCS

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## APPENDIX E

### QUESTIONNAIRE FOR HOUSEHOLDS AFFECTED BY DISASTER IN MBALE REGION

Dear Respondent,

This questionnaire is for the purpose of collecting information about “*Financial accountability and humanitarian work of NGOs in Uganda: A case study of Uganda Red Cross, Mbale region*” The information is needed as a partial requirements for a Master of Management Studies (Financial Management) of Uganda Management Institute The information is NOT meant for any other purpose; and therefore the responses will be kept with utmost confidentiality. You are therefore kindly requested to cooperate in answering the questions honestly to provide the required information.

Thank you.

#### **SECTION A: BACKGROUND INFORMATION OF RESPONDENTS**

*(Tick (√) the correct alternative or write your response in the space provided)*

A1. What is the name of your village? \_\_\_\_\_

A2. What is your sex?

1. Male

2. Female

A3. What is your age category? *(Please tick in the box below your answer)*

Below 20 years	20-29 years	30-39 years	40 – 49 years	50+ years
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

A4. What is your highest level of education? *(Please tick one of them).*

No formal education	Primary Level	Secondary level	Diploma level	Degree level
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

A5. What activity do you do to earn a living? *(Please tick in the box below your answer)*

Farming	LC official	Trading	Unemployed	Civil servant	Any other
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

A6. How many dependants do you have in your household?

Less than 3 persons

3-5 persons

6-9persons

10 persons and above

None

A7. Have you ever received any humanitarian assistance from URCS during the previous disasters?

1. Yes

2. No

A8. If YES, what type of humanitarian assistance was it?

1 \_\_\_\_\_ 2 \_\_\_\_\_

\_\_\_\_\_ 3 \_\_\_\_\_

\_\_\_\_\_ 4 \_\_\_\_\_

A9. This section contains a number of statements about humanitarian assistance got by victims of landslide and flood disasters in Mbale district. Kindly express your opinion by ticking one of the given responses (*Strongly Agree, Agree, undecided, Disagree and Strongly disagree*).

Statement	Strongly agree	Agree	Undecided	Disagree	Strongly disagree
1. URCS often provides essential household items to victims of disasters in Mbale region					
2. URCS often provides food to victims of disasters in Mbale region					
3. URCS often relocates victims of disasters in Mbale region					
4. URCS often carries out sensitization programmes on possible dangers of natural disasters					
5. URCS often provides psychosocial support to victims of disasters in Mbale region					
6. URCS often provides medical care to victims of disasters in Mbale region					
7. URCS often provides education facilities to victims of disasters in Mbale region					

A10. Was the assistance sufficient to save lives of populations affected by disasters?

1. Yes

2. No

A11. Did you write on any document or sign anywhere as evidence that you had received humanitarian assistance?

1. Yes

2. No

A12. Identify the problems faced in accessing humanitarian assistance from URCS?

---

---

---

A13. Suggest how the above challenges can be overcome

---

---

---

**Thanks for your cooperation**

## APPENDIX F

### INTERVIEW GUIDE FOR URCS BRANCH COORDINATOR

**TOPIC: Financial accountability and humanitarian work of  
NGOs in Uganda: a case study of Uganda Red Cross,  
Mbale region**

Title of the respondent \_\_\_\_\_

#### QUESTIONS

1. Briefly describe the process of budget planning done by URCS.
2. Describe the budget allocation for disaster management by URCS in the previous three years (2008 – 2010).

<i>Year</i>	<i>Amount of money allocated to disaster management (UGX)</i>	<i>Amount spent (UGX)</i>	<i>Amount unspent (UGX)</i>
2008			
2009			
2010			

3. What are the challenges of budget planning in URCS?
4. What financial processes and procedures are employed by URCS to enable it to safeguard its assets?
5. What are the challenges of maintaining effective internal controls by URCS?
6. What records does URCS keep for its business transactions?
7. What are the challenges of record keeping by URCS?
8. What humanitarian assistance has URCS offered to victims of landslide and flood disasters in Mbale district?
9. What are the challenges of humanitarian work faced by URCS?
10. Suggest strategies of improving accountability in URCS

End

## APPENDIX G

### INTERVIEW GUIDE FOR LOCAL LEADERS

**TOPIC: Financial accountability and humanitarian work of NGOs in Uganda: a case study of Uganda Red Cross, Mbale region**

Title of the respondent \_\_\_\_\_

#### QUESTIONS

1. What were the negative effects of the landslide and flood disasters in Mbale district?
2. What humanitarian assistance did URCS offer to victims of landslide and flood disasters in Mbale district?
3. What were the problems faced by disaster victims in an attempt to access humanitarian work from URCS?
4. Suggest strategies of improving accountability in URCS

End