

# Investigating The Role Of Financial Accountability And Transparency In Enhancing Donor Confidence For NGOs. Case Of CHAZ Funded NGOs.

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## Abstract

*This paper reviewed the impact of financial accountability and transparency on the confidence of donors in CHAZ-funded NGOs on the explanatory sequential design. The quantitative information has been observed on 54 respondents of the survey and qualitative information on 15 interviewees. The study evaluated the usefulness of financial management practices, investigated techniques of enhancing transparency, and established the challenges that influence accountability. Findings revealed that budgeting, internal controls, financial reporting, and audits are core in enhancing accountability with budgeting having the greatest influence. Examples of best practices mentioned are clear financial policies, frequent staff training, independent audits, good internal controls, as well as uniform transparent reporting, all which would be important in helping to build trust with donors. The research suggested formulation of uniform financial policies and regulatory guidelines, the implementation of updated financial software in real-time reporting and increasing the personnel capacity by hiring competent financial personnel and training.*

**Keywords:** Financial Accountability, Transparency, Donor Confidence, CHAZ-funded NGOs, Financial Management Practices.

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## I. Introduction

Financial accountability and transparency are the indispensable pillars of NGOs that rely on external funding to perform successfully (Smith and Brown, 2020). As a donor-funded entity, transparent and prompt financial reporting is essential in creating trust, responsible utilisation of resources and long-term sustainability (Johnson, 2019). The increase in scrutiny of NGOs, in particular in developing areas, is driven by the fact that donors are better secured by financial stewardship (Doe & Lee, 2021).

The NGOs are relevant to the solution of social and developmental issues, especially in developing nations (Krause, 2018; López, 2020). Their functioning relies on the outside helps of donors, governments, and personal funds (Anderson and Moore, 2019; Chikanda, 2021). Such dependency underlines the importance of good financial accountability and transparency to preserve the trust of the donors and secure their further support (Smith and Brown, 2020). The poor financial systems may result in poor management, loss of trust by donors, and the inability to reach the organisational goals (Carter et al., 2020).

In sub-Saharan African countries, the credibility of donors, in relation to financial management, is based on sound financial management, including the allocation of funds, transparent reports, and frequent audits (Johnson, 2019). Strong financial accountability is to show how the money has been spent in form of statements, audit, and donor-specific reports (Owen and Larson, 2017), whereas transparency is to disclose the financial information openly to the stakeholders (Hodges and Patel, 2020). The two principles are mutually supportive and are the basis of establishing relationships with long-term donors (Morris and Benter, 2021).

CHAZ was founded in 1970 and oversees an amount of over USD 50 million on an annual basis on behalf of over 150 member NGOs. It funds such essential programmes as BCC, HBC, and OVC assistance. Examples of cases are KAFHI which received USD 3.9 million and contributed to a reduction in the prevalence of HIV as well as MEF which received USD 1.5 million and helped in making a great deal of health improvements. Such organisations like NGOCC and YAZ have also shown the effectiveness of the CHAZ-based funding. Although these have been realised, several of the CHAZ-funded NGOs continue to grapple with some of the challenges that include limited financial resource, cumbersome donor demands, technology, and culture.

CHAZ thus imposes stringent financial management, monitoring, and reporting policies to safeguard donor funds and hold them accountable (Khan & Patel, 2018). However, insufficient internal controls, lack of qualified financial personnel, and inability to comply with the complicated donor reporting requirements

continue to affect many NGOs (Simms, 2019). The reasons behind these issues include capacity- building, standard reporting systems, and enhanced financial technologies.

The rising social pressure to be more open, which is fueled by the digital transformation, also makes NGOs use online reporting tools and external audit in order to build trust in the community (Doe and Lee, 2021). The CHAZ situation offers a good example that can be used in analysing the impact of financial accountability and transparency as determinants of donor confidence. The proposed study is expected to produce insights and recommendations on how CHAZ-funded NGOs can enhance financial governance, increase donor confidence, and augment the sustainability of critical health and social programmes in Zambia through the analysis of the financial practices of the NGOs.

## **II. Statement Of The Problem**

Despite the significant roles played by the NGOs in Zambia especially those that are supported with funding by the Churches Health Association of Zambia (CHAZ), some of them do not uphold sufficient financial responsibility and transparency. As CHAZ is allocating more than USD 50 million each year to over 150 member organisations (CHAZ, 2023), donors and communities are becoming more demanding in financial management (Krause, 2018; Johnson, 2019).

Nonetheless, many NGOs have small financial managing capabilities, poor internal controls, and limited resources, which make their resources poor to allocate funds efficiently and report on them (Simms, 2019). Smaller NGOs in most cases do not have qualified financial staff and up-to-date financial systems, needed to make them accountable (Carter et al., 2020). The arduous donor demands also add to errors and delays in reporting (Owen and Larson, 2017). It is particularly interesting that in 2021, 50 percent of Zambian NGOs met the overall donor reporting requirements, which points to the deficiencies in the system (Chikanda, 2021). It has an adverse impact on the financial practices since they weaken the confidence of donors, jeopardise programme sustainability, and may lead to reputational harm (Morris & Benter, 2021). The situation is enhanced by the rising demands of transparency and access to financial information as people have become more demanding in seeking to have such access (Doe & Lee, 2021).

## **III. Literature Review**

### **The Importance of Financial Accountability in NGOs**

Financial accountability now has become a defining factor of efficiency, transparency, and viability in the nongovernmental organisations (NGOs). Contemporary accountability mechanisms allow NGOs to properly monitor, record, and communicate their financial operations, helping to regulate as well as make effective strategic choices. Kumar, Singh, and Pandey (2021) explain that effective financial monitoring and reporting systems enable organisations to determine their financial performance, enhance budgetary planning, and have resources appropriately distributed to priority programmes. Transparency which is a crucial element of financial accountability has become even more prominent with the rise in the level of expectation of stakeholders. According to Malik, Zaman, and Khan (2021), clear, timely, and accessible financial information has become a requirement by the stakeholders as a condition to trust them. Open reporting is a way of creating credibility and a reaffirmation of the stakeholders that the finances are being well spent, which is important in a world where there is heightened competition in terms of funding. Wang and Vernon (2020) also point out that digital disclosure tools contributed to increasing the expectations of the population, and making the practice of transparency in governance one of the determinants of stakeholder engagement. Financial integrity of an NGO determines donor confidence strongly. It has been empirically proven that donors tend to favour organisations that have a well-developed financial control and reporting systems. The authors have discovered that robust internal financial controls are a strong indicator and determinant of further funding (Nkundabanyanga, Muhwezi, and Kaberuka 2019). In the same case, Bawole and Hossain (2021) state that poor financial accountability practices have a tendency to cause withdrawal of donors, reputational damage, and lack of sustainability of an organisation. Good financial responsibility is also a factor that leads to better performance of the organisation. Initiating efficient financial systems helps NGOs to identify inefficiencies, decrease the misappropriation of funds, and enhance better service delivery results (Juma & Okungu, 2022). Consistent financial reporting and auditing practises guarantee that NGOs are more efficient in their operations, are more effective in building relationships with stakeholders, and attain better programme outcomes (Kumar et al., 2021).

## **IV. Challenges In Maintaining Financial Accountability And Transparency**

One of the challenges is poor financial literacy in the staff. According to Mango (2014), the lack of financial training results in budgeting and reporting mistakes, inappropriate distribution of funds, and inability to follow financial policies. This usually compels NGOs to turn to consultants and this adds to their operations. The availability of resources is even less which restricts investment in modern accounting system and staff training. Nimri and AlMabhouh (2015) argue that NGOs usually use outdated systems, which are not

compatible with modern reporting needs, which undermine internal controls and transparency. Complicated and dynamic regulatory demands are also challenging. According to Goh et al. (2021), NGOs have to juggle different compliance requirements by different donors and jurisdictions, and this might destroy small organisations that do not have legal knowledge. Also, considerable stress to show short-term performance can divert attention to good financial practices. Said et al. (2022) point out that in the quest to achieve outcomes, NGOs cannot practice adequate financial planning and controls, which leads to the risk of poor performance and undercuts long-term sustainability.

### **Evaluating Existing Financial Management Practices**

Accountability gaps and need to enhance the performance of NGOs can be addressed after evaluating the financial management practices. Among them are standardisation of reporting, frequency of audit, financial policies and best practices.

Comparability and transparency is improved by standardised financial reporting. According to Ebrahim (2005), standardised reporting templates assist stakeholders to evaluate the financial performance in a consistent manner and minimise the errors and dissimilarities among the differing operating environments. Internal and external audits enhance accountability and effectiveness as they help to detect irregularities and enhance compliance (Goh et al., 2021). The audit results are also important feedback that helps financiers to improve their financial systems and gives an assurance to the donors that their money is being well managed. Well defined financial policies give guidelines on budget, expenditure, and reporting. Muller (2018) underlines that revised policies should also be in line with regulatory modifications to support consistency and staff compliance and comply with the need of donor compliance. Budgeting, forecasting, and financial analysis are the best financial management practices that contribute to decision-making and risk management (Muller, 2018). The practices enhance better distribution of resources, predict gaps in funding and enhance the whole accountability framework.

### **Strategies and Best Practices for Enhancing Financial Accountability and Transparency**

To begin with, the culture of accountability should be created by means of constant training of the staff. Capacity-building programmes assist staff to be aware of financial standards and adhere to policies, which enhances ethical financial practices (Bertot et al., 2010; Kumar et al., 2021). Transparency is greatly enhanced by the adoption of technology. The cloud-based accounting systems allow access to the latest information in real-time, automate accounting, and increase transparency between stakeholders of financial operations (Karpov, 2018). These tools minimise mistakes and make the process of reporting donors easier. It is also essential to be able to communicate with donors properly. Open communications regarding money, developments, and issues gain the trust of donors and enhance the stability of long-term funding relationships (Fowler, 2000; Muthuri et al., 2020). Lastly, there must be effective internal audit functions. Independent audits offer objective evaluations of financial practices, need to expose weak areas, and contribute to ongoing excellence (Said et al., 2022). The financial credibility and assurance of the donors is achieved through a well-organised audit system.

### **Underpinning theories**

#### **Agency Theory**

The Agency Theory describes the relations between the donors (principals) and NGOs (agents), which is subject to conflicts in the case where the agents take control over resources on behalf of the principals (Jensen and Meckling, 1976). NGOs may act as inefficiently due to information asymmetry and conflicting interests with donors since they control the funds without direct supervision, or they misallocate funds or change their direction based on opportunistic behaviours (Eisenhardt, 1989). This emphasises the significance of good systems of governance. In the NGO setting, the theory urges financial accountable measures (transparent reporting, frequent auditing and definite financial policies) to minimise agency risk, as well as to assure the donors that funds are spent as planned (Cordery & Baskerville, 2011). The performance-based funding, donor participation in the budgeting process, and independent financial audits are the measures used to make organisational activities consistent with the expectations of the donor (Van Puyvelde et al., 2012). By having these controls in place and functioning well by NGOs, trust is enhanced which increases donor confidence and funding sustainability.

#### **Stakeholder Theory**

Stakeholder Theory proposes that organisations should take into account the interests of all the groups that have been impacted by their activities such as donors, beneficiaries, staff, regulators and communities around them (Freeman, 1984). Different stakeholder expectations enable the need of financial transparency in NGOs to ensure legitimacy and engagement. Open financial reporting enables the donors to ensure responsible

funding, beneficiaries to know how the resources are used to fund programmes, and staff to have confidence in organisational decision-making (Bryson, 2018). Involving the stakeholders in consultations, feedback systems and participatory financial procedures enhances accountability and creates the sense of ownership of the outcomes (Mitchell et al., 1997). The organisational reputation, support and long-term sustainability are enhanced when the stakeholders see the NGO as being transparent and responsive (Molina-Azorin et al., 2009).

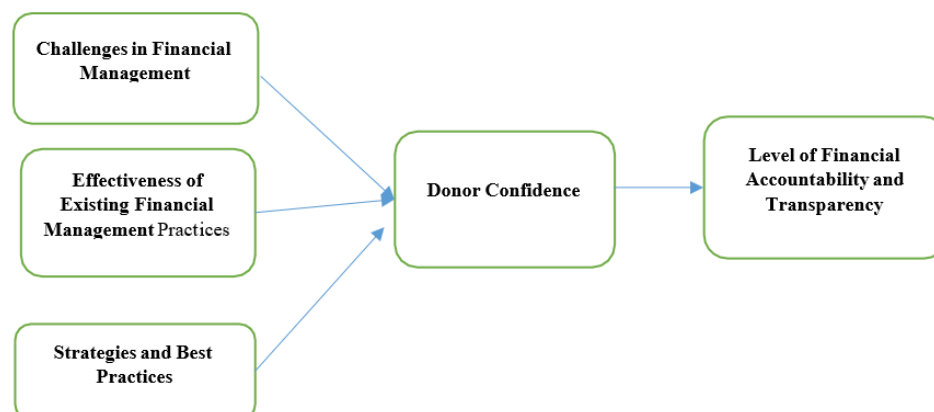
### **Institutional Theory**

Institutional Theory assumes that NGOs are working in such a social, regulatory and cultural setting that defines their practises (Scott, 2014). NGOs need to bypass the demands of government regulators, donors, professional bodies, and the general public to become legitimate.

There are three types of institutional pressure that affect the financial accountability of NGOs:

- Through the use of coercive pressure, which includes donor demands, national regulations, and the like, NGOs are forced to use formal financial standards (DiMaggio and Powell, 1983).
- Mimetic pressure causes NGOs to base their systems on effective peers, which causes the inclusion of similar financial reporting and control systems (Greenwood et al., 2017).
- The normative pressure is also brought about by professional network and accounting regulations which promote the best practise in financial management (Tolbert and Zucker, 1996).

The imposition of donor regulations, following the national financial regulations, and integrating the reporting norms of the sector into the comprehensive framework of the CHAZ-funded system are all the issues concerning maintaining legitimacy and funding (Carruthers, 1995). To ensure accountability and build trust NGOs have to constantly respond to changes in needs, build capacity and work with institutional actors. This alignment allows them to enhance governance, fulfil the expectations of the stakeholders, and enhance organisational sustainability in the long term.



**Figure 1: Conceptual model; Adopted by Author (2025).**

## **V. Literature Gap**

Although a lot has been done in the study of NGO financial accountability and transparency, there are still a number of gaps. There is a lack of research on context- specific, especially in Zambia, that includes socio-economic, cultural, and political factors to influence the financial practices and donor trust (Kumar et al., 2021). Majority of studies are cross-sectional and their analyses do not follow longitudinal studies of the variations in donor relationships and financial practices and the influence they have on the donor relationships of that specific time (Muthuri et al., 2020). The literature regarding the technological solutions, such as blockchain and cloud-based systems to promote transparency, is also scarce (Karpov, 2018). Stakeholder engagement in enhancing accountability has not received much attention (Brennan and Solomon, 2008), and neither has the effect of non-financial mechanisms, e.g., programme evaluation and ethical practices, on the confidence of donors (Said et al., 2022). Lastly, there is a lack of research on differences in expectations between different types of donors, e.g. governmental and private donors (Goh et al., 2021). A solution to these gaps would help in informing the strategy on how to better its financial management and relation with donors.

## **VI. Methodology**

### **Underlying Philosophy**

In this research, a positivist philosophy was applied, which relies more on a scientific and objective investigation to analyse financial accountability and transparency of the CHAZ-funded NGOs (Saunders et al.,

2007). According to positivism, the confidence of the donors is an object and is measurable, it is possible to determine patterns and relationships between the financial practices and trust (Creswell, 2014). This approach is consistent with structured data collection and statistical analysis, which guarantee replicable and generalizable findings.

### **Research Approach**

An explanatory sequential design was utilised as a mixed-method approach (Creswell, 2014). The quantitative data were then gathered initially to determine the relationship between financial accountability practices and donor confidence then followed by the qualitative interviews to give more in depth information and provide reasons behind it (Johnson & Onwuegbuzie, 2004). The validity and reliability of results were enhanced by triangulating data.

### **Time Horizon**

The design of the study was a cross-sectional design, which involves collecting data at one time in order to establish patterns and correlations of financial accountability and donor trust across various CHAZ-funded NGOs (Bryman, 2016). Such a design enabled practices of various organisations to be compared effectively.

### **Research Method and Justification**

The research involved quantitative survey and qualitative interviews. Accountability practices, perceived challenges, and donor confidence were measured through surveys, whereas contextual factors, as well as organisational experiences, were discussed during interviews (Creswell, 2014). This made up a complete insight into transparency and accountability systems in finance.

### **Sampling Frame and sample size**

#### **Target Population**

The sample size included 62 personnel of NGOs funded by CHAZ and who were involved in financial management. Some of the NGOs that had a main impact on donor funds and service delivery included KAFHI, MEF, NGOCC, YAZ, CHAZ, CRS, and World Vision Zambia among others (CHAZ Annual Report, 2023).

#### **Sampling Technique**

To make sure that the sample was relevant and extensive, purposive sampling was employed to select participants in both surveys (62 staff) and interviews (15 key informants: finance managers, programme directors, and board members) (Creswell, 2014).

#### **Sample Size**

- **Quantitative:** Using Taro Yamane's formula (Yamane, 1967) with  $N=62$  and  $e=0.05$ , the sample size was 54.
- **Qualitative:** 15 participants were interviewed until theoretical saturation was achieved (Mason, 2010; Charmaz, 2006).

#### **Inclusion and Exclusion Criteria**

- **Inclusion:** NGOs that have been in operation 3 years and above, are CHAZ funded, and have reported financial practices; those participants who have direct involvement in financial management.
- **Exclusion:** NGOs that do not complete the records, self-funded, or not funded by CHAZ, the ones that are less than 3 years old; the participants who are not in the field of finance or who are not willing to take part.

### **Data Collection and Analysis**

#### **Quantitative Data Collection**

Structured online surveys measured financial accountability practices and donor confidence. Questionnaires were pretested for clarity and analyzed using SPSS (Creswell, 2014).

#### **Qualitative Data Collection**

Semi-structured interviews explored participants' experiences and perspectives on accountability and transparency. Interviews were transcribed and analyzed thematically (Braun & Clarke, 2006).

#### **Quantitative Data Analysis**

Statistics of description summarised trends. Pearson correlation and multiple regression analyses were conducted to investigate correlations between transparency, budget compliance, audit spirit and donor confidence (Creswell, 2014):

$$Y = \beta_0 + \beta_1(\text{TFR}) + \beta_2(\text{BA}) + \beta_3(\text{AFT}) + \beta_4(\text{ST}) + \beta_5(\text{TDS}) + \beta_6(\text{IAF}) + \epsilon$$

### Qualitative Data Analysis

Thematic analysis identified patterns and contextual factors influencing financial practices and donor confidence (Braun & Clarke, 2006).

### Reliability, Validity, and Generalizability

- **Reliability:** Pretested instruments and standardized procedures ensured consistent measurement (Creswell, 2014).
- **Validity:** Triangulation of quantitative and qualitative data enhanced construct validity (Johnson & Onwuegbuzie, 2004).
- **Generalizability:** Inclusion of diverse CHAZ-funded NGOs provided insights applicable to similar donor-funded organizations in Zambia.

## VII. Results And Discussion

### Effectiveness of Financial Management Practices

Financial management practices such as budgeting, internal controls, financial reporting, and audit practices are mostly efficient in improving accountability among CHAZ-funded NGOs. According to descriptive statistics results, the performance is high in budgeting ( $M = 3.96$ ,  $SD = 0.61$ ) and internal controls ( $M = 3.98$ ,  $SD = 0.60$ ), whereas the performance in financial reporting is more variable ( $M = 3.39$ ,  $SD = 0.87$ ). The score on transparency and accountability was moderately high ( $M = 3.81$ ,  $SD = 0.72$ ), which can be improved (Omollo, 2023).

Correlation analysis indicates that there are positive ties of high strengths between financial management practices and transparency/accountability, where budgeting practices are specifically connected with internal controls ( $r = 0.74$ ) and overall transparency ( $r = 0.68$ ) (Mwakapina, 2025; Table 4.3). The results of the regression also show that the combination of these practises contributes to transparency and accountability prediction by 72 percent ( $R^2 = 0.72$ ,  $F = 36.75$ ,  $p < 0.001$ ). The strongest predictors were budgeting ( $\beta = 0.35$ ) and internal controls ( $\beta = 0.34$ ), with the next predictors being financial reporting and audit practices (Adjei and Nkrumah, 2022; Table 1).

**Table 1: financial management practices effect on accountability issues within CHAZ funded NGOs.**

Variable	$\beta$	Std. Error	Beta	t	Sig.
(Constant)	1.25	0.27		4.70	0.0320
Budgeting Practices	0.45	0.08	0.35	5.42	0.040
Financial Reporting	0.32	0.08	0.28	4.10	0.000
Internal Controls	0.38	0.08	0.34	4.57	0.030
Audit Practices	0.29	0.08	0.25	3.84	0.000

### Strategies for Enhancing Financial Accountability

The paper has indicated effective financial policies, periodic employee training, external audit, high internal controls, and reporting transparency as the best practices to enhance accountability. The statistical significance of all strategies ( $p < 0.01$ ) is statistically significant through chi-square tests. T-tests demonstrate that NGOs that were highly transparent have always been doing such practices better than low-transparency NGOs ( $p < 0.001$ , Mwakapina, 2025). The transparency in reporting ( $\beta = 0.30$ ) is the most predictive factor of financial accountability, as shown by the multiple regression analysis, and the introduction of open and standardised reporting mechanisms is crucial (Adjei & Nkrumah, 2022; Table 2).

**Table 2: Multiple Regression Analysis for Factors Influencing Financial Accountability**

Variable	$\beta$	Std. Error	Beta	t	Sig.
(Constant)	1.20	0.26		4.60	0.000
Clear Financial Policies	0.32	0.06	0.28	5.10	0.0325
Variable	$\beta$	Std. Error	Beta	t	Sig.
Regular Financial Training	0.25	0.06	0.22	4.00	0.0190
Independent Audits	0.30	0.06	0.26	5.20	0.0310
Internal Control Systems	0.28	0.06	0.24	4.75	0.010
Transparency in Reporting	0.34	0.06	0.30	6.12	0.000

### Challenges in Maintaining Financial Accountability

The study identifies six main challenges affecting accountability in CHAZ-funded NGOs:

1. Financial Management Systems- The old- fashioned policies and ineffective financial software interfere with transparency and the accuracy of reporting (Omollo, 2023).

2. Human Resource Limitations The lack of appropriate human resources in terms of skilled workforce and high turnover lead to finance expertise and institutional skills gaps (Mwakapina, 2025).
3. External Factors - Planning and the allocation of resources are interfered with by inconsistent investments and political/economic instability (Adjei & Nkrumah, 2022).
4. Compliance and Regulatory Issues - Lack of accountability is caused by weak regulatory control and the inability to address the changing requirements of donors (Omollo, 2023).
5. Limitations in Internal Controls Internal audits and poor separation of duties escalate the chances of mistakes and fraud (Mwakapina, 2025).
6. Transparency and Reporting Problems - The lack of transparency to its stakeholders and inconsistency in reporting erodes the trust of its donor and other stakeholders (Adjei and Nkrumah, 2022).

These issues demonstrate the urgency of modernised systems, capacity building, and enhanced regulatory compliance as the means to maintain financial accountability in the field of NGOs.

These challenges highlight the critical need for modernized systems, capacity building, and improved regulatory compliance to sustain financial accountability in the NGO sector.

### **VIII. Conclusion**

The research was able to compare the results of good financial management practices, which encompass budgeting, internal controls, financial reporting and audit practices, and found that they had a strong impact on transparency and accountability among NGOs that receive CHAZ funds. Strong financial accountability strategies were found to be clear financial policy, frequent staff training, independent auditors, strong internal controls and transparency of reports. Nevertheless, the obstacles to the best financial governance included financial systems that were too old, lack of skilled personnel, high staff turnover, erratic funding, weak regulatory control, and low public disclosure. The capacity building, modernised systems, and compliance with the best practices were considered crucial to addressing these challenges to ensure the long-term sustainability of the NGOs, maintain the accountability, and enhance the confidence of the donors.

### **IX. Overall Findings**

The research concluded that the financial management activities in CHAZ-funded NGOs were overall successful in enhancing the aspects of transparency and accountability. High performance was found in budgeting ( $M = 3.96$ ,  $SD = 0.61$ ) and internal controls ( $M = 3.98$ ,  $SD = 0.60$ ) and less so in financial reporting ( $M = 3.39$ ,  $SD = 0.87$ ) and overall transparency and accountability was moderately high ( $M = 3.81$ ,  $SD = 0.72$ ). Correlation analysis showed that there are strong positive relationships between financial management practices and transparency/accountability where budgeting practices are strongly correlated with internal controls ( $r = 0.74$ ) and transparency as a whole ( $r = 0.68$ ). Regression analysis revealed that overall these practices had an explanatory power of 72 percent in terms of transparency and accountability ( $R^2 = 0.72$ ,  $F = 36.75$ ,  $p = 0.001$ ), with budgeting (0.35) and internal controls (0.34) having the strongest predictive value. Best practices like clear financial policies, frequent financial training, independent audit, effective internal control and transparency in reporting proved to be major predictors of accountability (0.22 0.30 all  $p < 0.001$ ) and T-tests illustrated that NGOs with high transparency scores became more effective in these practices ( $p < 0.001$ ). Although there were these strengths, accountability was impacted by challenges such as outdated systems, inadequate skilled staff, high turnover, ineffective funding, ineffective regulatory oversight and poor public transparency. Altogether, the results were that sound financial management practices with the help of transparent policies, training, audits, and controls contributed to high levels of transparency and donor trust in CHAZ-funded NGOs.

### **X. Research Limitations And Implications**

This research had a number of constraints which might impair the validity of the results. To start with, the study did not target any other NGOs but only CHAZ-funded NGOs, which makes it difficult to generalise findings on other NGOs with alternative funding models or regulatory contexts. Second, the research was based on self-administered information on the staff and this information could be biased or inaccurate especially on internal practices and compliance. Third, time and resource limitations limited the sample to a manageable number of NGOs, potentially missing a variety of experience of the sector. Nevertheless, these restrictions do not deny the findings as they present some useful information on the practices of financial management, with particular emphasis made on budgeting, internal controls, auditing, and reporting. These lessons can inform policy making, capacity building efforts, and strategic interventions to increase financial accountability and transparency, which will eventually increase donor trust and organisational sustainability towards the NGO sector.

## **XI.Originality And Value**

The study provides new knowledge to the existing body of empirical studies on the financial management of CHAZ-funded NGOs, which is a negligible field in the Zambian context. Through a mix of quantitative approach of examining financial practices and qualitative investigation of issues, the study offers a holistic perspective into the role of budgeting, internal controls, financial reporting and audit practices in driving transparency and accountability. The benefit of the research is that it has practical implications to management of NGOs in that it provides evidence-based approaches in supporting financial management, i.e. providing clarity in financial policies, staff training, independent audit, as well as effective internal control mechanisms. Moreover, the results give policymakers, donors, and NGO leaders the guidelines to develop interventions that enhance accountability, build stakeholder trust, and enhance sustainability in an organisation.

## **XII.Recommendations**

CHAZ-funded NGOs are expected to enhance financial governance through the development and periodic review of full financial policies, the focus on consistent budgeting, and the quality of internal controls. To ensure high staff turnover has minimal effects, regular training of the financial staff is necessary to strengthen reporting and auditing and compliance skills and reduce high staff turnover. To enhance accuracy, timeliness, and transparency, it would be better to modernise the financial systems and incorporate integrated software and reporting tools. Also, it is possible to carry out periodic internal and external audits to avoid mistakes and fraud to enhance accountability. Lastly, reporting processes should be standardised and the financial information should be made available to donors and the general population to encourage transparency, foster trust and increase credibility and sustainability of the organisation.

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## **Competing Interests**

Authors have declared that no competing interests exist.

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