

**√INFLUENCE OF MONITORING AND EVALUATION PRACTICES AND FINANCIAL
PERFORMANCE OF PROJECTS IN NAIROBI COUNTY, KENYA: A CASE OF
ACTIONAID KENYA**

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**AN APPLIED RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT OF
THE REQUIREMENT FOR AWARD OF POST GRADUATE DIPLOMA IN
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DECLARATION


I declare that this applied research project is my original work and that it has not been presented in any other university for academic credit.

Signature..........Date.....

Name of the Student: Emma Nyamusi Bundi

SUPERVISOR'S DECLARATION

I confirm that the work reported in this applied research was carried out by the candidate under my supervision.

Signature.......... Date.....

Name of supervisor: Dr. Wanjiru Nderitu

DEDICATION

This work is dedicated to my entire family for their continued support and encouragement.

ABSTRACT ✓

This study was carried out to determine the influence of monitoring and evaluation on the financial performance of projects at the Action Aid Kenya. The study looked at the influence of monitoring and evaluation planning on the financial performance of projects, the influence of staff training on the financial performance of projects and the influence of monitoring and evaluation budgeting on the financial performance of projects at the Action Aid Kenya. This study was guided by the theory of change and the realistic evaluation theory. The target population involved 600 employees working at Action Aid Kenya. A descriptive research design was used in the study. Stratified random sampling was used to select the sample of the study which was 20% of the target population. Data was collected from primary sources using semi-structured questionnaires so as to get detailed information. Questionnaires were tested for validity and reliability before distribution to the respondents. Statistical Package for Social Science (SPSS) V.22 was used to analyze data using descriptive statistics. The study found out that M&E planning, staff training and M&E budgeting are the major determinants of financial performance of projects at the NGOs in Kenya. Therefore, the study concluded that planning, M&E training, and M&E budgeting influences the financial performance of the projects. In line with the findings and conclusion the study recommends that M&E planning be implemented in Actionaid Kenya and all non-governmental organizations. Staff training and M &E budgeting needs to be adhered to in the organization because from the findings it was noted these influences the financial performance of projects within organizations.

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LIST OF ABBREVIATIONS

CSFs	Critical Success Factors
M&E	Monitoring and Evaluation
NGOs	Non-Governmental Organizations
SPSS	Statistical Package for Social Sciences
UNAIDS	United Nations Program on HIV/AIDS
UNDP	United Nations Development Plan

DEFINITION OF TERMS √

Evaluation: A systematic and independent assessment of an ongoing or completed.

Financial performance: The degree of project goal achievement within the stipulated project period and budget.

M&E Budgeting: The money allocated for specific projects monitoring and evaluation program

M&E planning: A written plan on how project monitoring and evaluation will be conducted specifying details such as who will be in charge, who will collect information and so on.

Monitoring: A continuous function that gives information on where a project is at any given time relative to respective targets and outcomes.

Staff Training: Creating chance or gaining knowledge in the organization and providing opportunity to acquire skills. Training of staff entails the training on the entire project team on how M&E will be done including individual roles and responsibilities.

CHAPTER ONE: INTRODUCTION AND BACKGROUND OF THE STUDY

1.1 Introduction

This research project examined the influence of monitoring and evaluation practices on the financial performance of projects at the Action Aid Kenya. This chapter covered the background of the study, problem statement, the study objectives, research questions, significance, the scope, delimitations, limitations, assumptions, the theoretical framework and conceptual framework of the research.

1.2 Background of the Study

Monitoring and evaluation is defined as the process of iteratively collecting and analyzing data on on-going projects and comparing the project outcomes to the planned results with an objective of improvement (Hunter, 2009). Monitoring of projects in any organization is the purposeful and systematic collection of information from projects purposely for learning, from the obtained past experiences to improve practices and activities in the future. Monitoring and evaluation is a management function which consists four major functions namely: planning, training, baseline surveys and information systems (Roza, 2013).

Globally, the efficacy of project monitoring and evaluation enhances the basis for evidence-based project management decisions and its performance. Evaluation of projects helps to draw conclusions on the interventions, relevance, efficiency and the general performance of projects. According to Armstrong & Baron (2013) most public institutions and Non-Governmental Organizations (NGOs) view Monitoring and Evaluation (M&E) as a donor requirement rather than a management tool for reviewing progress, identifying and correcting problems in planning or implementation of projects. The contributors are entitled to know whether their money is properly

spent. However, the primary use of M&E should be for the organization or project itself to gauge its performance and improve where necessary.

In developed countries, the influence of NGOs in the development of projects has been underrated. Globalization and democratization have brought about many unexpected changes and NGOs have grown in number and have the power to offer services that governments are unable to provide (Lehnam, 2013). The growing concern of aid performance of NGOs has led donors or contributors to attach conditions to funding in order to demonstrate results of financial performance and accountability which has led to the appreciation and recognition of the influence of M&E in their development agenda.

In Kenya, many NGOs are becoming increasingly concerned about the factors influencing the financial performance of projects and the need to manage projects accurately (Murtaza, 2011). One of the most powerful tools that influence the financial performance of projects is monitoring and evaluation. Monitoring and evaluation enables organizations to assess the quality and impact of projects, against project plans and work plans, as echoed by (Murtaza, 2011).

At ActionAid Kenya, Nairobi County, M&E brings out the weaknesses of the operational processes and practices and the information that could be harmful to the organization's ability to attract and maintain the financial donors (Naidoo, 2011). In this organization M&E is necessary to promote development and decrease poverty in all its forms. NGOs in Kenya are faced with many challenges for example the inability to resourcefully respond to changing needs. The Monitoring and Evaluation of social programmes is weak and in the areas where it is done, the information is not publicized (The Kenya Protection Sector Review, 2012).

NGOs do not have the ability to have skilled M&E professionals who understand the monitoring

and evaluation process. In this view Kohli & Chitkara (2008) indicate that M&E is a major element of financial performance and project management in NGOs and it gives control over the main parameters which describe and outline the project; scope, quality, resources, completion time and cost. Therefore, this study seeks to demonstrate the influence of M&E on financial performance of projects in Action Aid Kenya and it is believed the results that will be generated in this study may motivate organizations to adhere to M&E and to enhance financial performance of projects in the organization.

1.1.1 History of Action Aid Kenya

ActionAid is an international non-governmental organization whose primary aim is to work against poverty and injustice worldwide. The organization was founded in 1972 by Cecil Jackson-Cole as a child sponsorship charity when 88 UK supporters sponsored 88 children in India and Kenya, the primary focus being is providing children with an education, further the human rights for all, assisting people that are in poverty, assisting those who face discrimination and also assist people who face injustice.

ActionAid Kenya is among the leading anti-poverty agencies working directly with over one million poor and excluded people in 15 counties in Kenya. The organization has M&E practices which make its projects successful. The organization is located at All Africa Conference of Churches Building, Waiyaki Way, Ibium House, Second Floor in Nairobi P.O Box 42814-00100, Nairobi.

1.1.2 Financial Performance of Project

Performance of projects involves objectives that need to be achieved. Measures for performance of projects according to Ika (2012) include planning, budget, human mechanism, quality and overall client satisfaction. Financial performance of the NGOs can be influenced by M&E, particularly by the planning, budgeting and staff training. M&E components are important to any project a starting point for a project. Several studies have been carried out with an aim of determining the Critical Success Factors (CSFs) which contribute to good financial performance of project.

A study by Prabhakar (2008) pointed out that Monitoring and Feedback was one of factors leading to good financial performance and success. Likewise, Papke-Shields (2010) also noted that the probability of achieving successful projects seemed to be enhanced among other factors, by constantly monitoring the progress of the project. According to their study, monitoring and evaluation was relevant in management of project budgeting through various factors for example, time, cost and quality

1.2 Monitoring and Evaluation Practices

1.2.1. M&E Planning

Monitoring and evaluation is a combination of two processes which are different yet complementary (Gorgens & Kusek, 2009). Monitoring and evaluation planning highlights the influence of financial performance of projects in NGOs. M&E planning generally outlines the underlying assumptions in which the achievement of project goals depends, the anticipated relationships between activities, outputs, outcomes and the logical framework. M&E planning includes a list of the partnerships and collaborations that will help achieve the desired results; and

a plan for the dissemination and utilization of the information gained (Alcock & Nuguti, 2009). This demonstrates that planning for monitoring and evaluation takes care of all aspects of financial performance that need to be in place to ensure early detection of progress.

1.2.2 M&E Training

According to Acharya (2006) staff training on the financial performance of projects has been observed, to enhance understanding of the project. Any staff involved in project implementation in any organization is also involved in the implementation of M&E, including partners, and should receive training. Training of implementers in M&E is deliberately participatory to ensure that those responsible for implementing are well trained. Staff training occurs periodically and will include initial training for management and staff at M&E system inception and in-service training over the life of the project in order to improve practice (Gray, 2009). This aspect definitely contributes to influencing financial performance of projects in organizations.

1.2.3 M&E Budgeting

Monitoring and evaluation budgeting requires top management support and resource commitment where the project budgets provide a clear indication for monitoring and evaluation activities. A research done by Kuwaviyah (2010) on relationships between budgeting and financial performance of projects concluded that budgets for priority items such as tracking budgets should be clearly delineated within the overall project budget. This will give the monitoring and evaluation function the due recognition it deserves in financial performance of projects in NGOs. According to Yuni & Siti (2016) for successful implementation of budgets it is advisable to involve all human resources as this will increase accountability and enhance good performance of projects and more so ensure the budgetary allocations under them are utilized well.

1.3 Statement of the Problem

Monitoring and evaluation in any organization is activity seen as a donor requirement rather than a management tool. For this reason, organizations especially NGOs, implement project M&E to cope with demands and pressures from funding agencies rather than as a measure to contribute to project financial performance. The issue in this study on M&E success is that, despite the fact that many studies have been done in this area; there are still cases of NGO project failures in Kenya. There is also insufficient information on M&E elements that is planning, staff training, budgeting and their influence of the financial performance of projects. John and Khilesh (2008) indicate that M&E is very essential in improving financial performance.

Many scholars have conducted studies on M&E and performance of projects, for example, Meyer, (2012); Sollis, (2013); and Vivian (2014) and found out that M&E affects the financial performance with the growing global movements to demonstrate the accountability and tangible results. However, these strategies did not examine the influence of M&E planning, training and budgeting on financial performance. It is upon this gap that this study aims at establishing the influence of monitoring and evaluation on the financial performance of projects at the ActionAid Kenya to bridge the gap.

1.4 Objectives of the Study

The study was guided by both general and specific objectives.

1.4.1 purpose of the study

The general objective of the study was to examine the influence of monitoring and evaluation practices on financial performance of projects. A case of ActionAid Kenya in Nairobi County.

1.4.2 Specific Objectives

- i. To determine the effects of monitoring and evaluation planning on the financial performance of projects in Kenya
- ii. To assess the effect of staff training on the financial performance of projects in Kenya.
- iii. To establish the extent to which monitoring and evaluation budgeting on the financial performance of projects in Kenya

1.5 Research Questions

The study questions included: -

- i. What are the effects of monitoring and evaluation planning on the financial performance of projects in Kenya?
- ii. How does staff training influence financial performance of projects in Kenya?
- iii. To what extent does monitoring and evaluation budgeting influence financial performance of projects in Kenya

1.6 Significance of the Study

This study was expected to be beneficial to all Non – Governmental Organizations to enable them understand the influence of monitoring and evaluation practices on the financial performance of projects. It assessed that NGOs management would be able to understand the specific influence and impacts that needed improvement.

This study may also be useful to policy makers. The policy makers in the private sector will be able to make informed policies relating to monitoring and evaluation. For example, the policy makers will take issues relating to the monitoring and evaluation of projects seriously and take

measures that will ensure that financial performance is achieved.

The study will contribute to the existing body of knowledge; scholars will learn more about the influence of monitoring and evaluation on the financial performance of projects. Further, researchers interested in this area of study may use the findings of this study and its recommendations as a point of reference for further research.

1.7 Scope of the Study

This study sought to investigate the effects of monitoring and evaluation practices on the financial performance of projects at the ActionAid in Kenya. The study population was employees in different departments at the ActionAid Kenya in Nairobi on the middle and top management since they have the information regarding monitoring and evaluation of projects and financial performance. Other NGOs were inaccessible due to time and funds, the more the reason the choice of ActionAid Kenya in Nairobi was justified. This study was conducted in year 2019, and data was gathered during this period.

1.8 Limitations of the Study

The researcher did not get enough information required because some respondents were not willing and ready to answer the research questions asked due to confidentiality. Most of the top management was in and out of the office for their usual meetings thus did not get time to respond to the problems of the study. This was solved by creating a convenient time with them so that their part of response was included in the research.

1.9 Delimitation of the Study

According to Orodho (2005) delimitation of the study refers to the boundaries of study. This study

was delimited to Action Aid non-governmental organization in Westlands area, Nairobi County because the organization is practicing all the M&E tool. For conclusive results all NGOs in Kenya should have been studied however this was not possible due to other responsibilities and as well as logistical constraints.

1.10. Theoretical framework

A theoretical review is used to describe how theories are evolved and how they are understood in different contexts. It draws on research literature, which already exists in order to advance theory in education research (APA, 2003). It is used to explain how a theory affects our research and informs our understanding since research is carried out in the frame of exploring theories. Founded on this literature, new theoretical projects can be assumed and developed or existing theories will be analyzed, pointing out flaws in the existing theories or demonstrate the superiority of one theory over another. Empirical information is only presented if it affects theoretical issues. The sections of a theoretical review are usually ordered by relationship rather than by chronology (APA, 2003). This study was guided by the theory of change and the realistic evaluation theory.

1.10.1 Theory of Change

This theory was published by Carol Weiss in 1995 and is defined quite simply and elegantly as a theory of how and why an initiative works. According to Cox (2009) the theory of change is not just on generating knowledge about whether a project is effective, but also on explaining how and what methods it uses to be effective. The theory of change provides a model of how a project is supposed to work. The theory provides a road map of where the project is trying to reach. Monitoring and evaluation tests and refines the road map while communications help in reaching the destination by helping to bring about change. Further, the theory of change provides the basis

for arguing that the intervention is making a difference (Msila & Setlhako, 2013). In regard to this study the theory suggests that by understanding, what the project is trying to achieve, how and why, project staff and evaluators will be able to monitor and measure the desired results and compare them against the original theory of change (Alcock, 2009).

1.10.2 Realistic Evaluation Theory

The realistic evaluation theory, was developed by Pawson in 1997 which provides a model centered on finding out what outcomes are produced from project interventions, how they are produced, and what is significant about the varying conditions which the interventions take place (Pawson & Tilley, 2004). Babbie & Mouton (2006) indicates that the theory of realistic evaluation falls short since project success is much more complex. An important task for monitoring and evaluation is to gather enough knowledge and understanding in order to predict with some degree of confidence how a project and set of activities might work in a different situation, or how it needs to be adjusted to get similar or better results, hence influencing project financial performance (Jones, 2011).

According to Pawson & Tilley (2004) realistic evaluation deals with what works for whom in what circumstances and in what respects, and how. The theory allows the evaluator to understand what aspects of an intervention make it effective or ineffective and what contextual factors are needed to replicate the intervention in other areas. In this study realistic evaluation theory seeks to find the contextual conditions that make interventions effective therefore developing lessons about how they produce outcomes. Additionally, this theory in this research will greatly aid in understanding how project deliverables are produced, however it falls short, as it is not explicitly about that influences project financial performance.

1.11 Conceptual Framework

A conceptual framework is a set of broad ideas and principles taken from relevant fields of enquiry and used to structure a subsequent presentation. Mugenda and Mugenda (2013) defines conceptual framework as a hypothesized model that shows the relationship between dependent and independent variables. The conceptual framework contains independent variables and a dependent variable. Independent variables are variables that affect other variables and the researcher has no control over them. The variables include; M&E planning, staff training and M&E budgeting. The dependent variable shows the effect of manipulating the independent variables. From the framework, the dependent variable is Financial Performance of Projects in ActionAid Kenya.

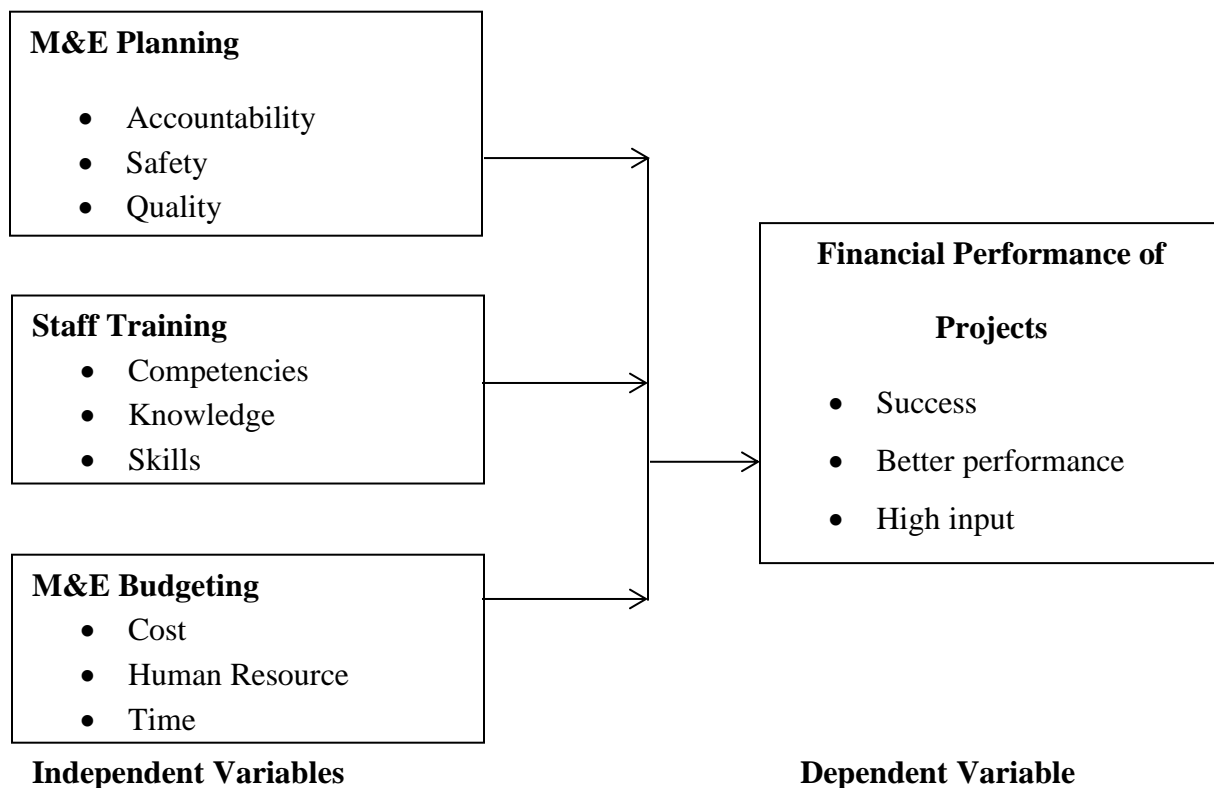


Figure 2.1 Conceptual Framework Source: Researcher (2020)

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

The chapter presents the theoretical framework and empirical review. The theoretical framework captures the various theories that are linked with the study. The chapter also presents the empirical literature review on M&E planning, staff training and M&E budgeting. The literature review was addressed where the findings are critiqued to establish the knowledge gaps.

2.2 Empirical Literature Review ✓

This section presents an in-depth analysis of studies that have been undertaken in relation on the influence of monitoring and evaluation on financial performance of projects by other scholars both locally and regionally. It goes further to bring out the empirical literature linkages with the three variables and research gap analysis. Literature sources include books and journals.

2.2.1 M&E Planning and Financial Performance of Projects

According to Wasikhe (2014) M&E planning plays a major role in the performance of projects because planning ensures the accuracy and reliability of the information generated in the organization. In every project globally, the evaluation should be employed including design, planning and implementation processes that have quality. According to Ademba (2006) planning is the process that helps improving performance and achieving results. Its goal is to improve current and future management of outputs, outcomes and impact.

A research done by Morra (2009) asserts that monitoring and evaluation of projects needs planning process for the evaluation. Planning clarifies the scope of the assessment in any project where the main purpose of the evaluation is identified through planning. In the planning process, there should

special emphasis on community participation where M&E systems should be built in such a way that there is a demand for results information at every level that data are collected and analyzed.

A study conducted by Kusek & Rist (2014) on the importance of community participation on M&E on the success of the project and they found out that there is often a need for some structural support for M&E, such as a separate evaluation unit which at the very least needs one person who is the internal champion identified to make sure the system is implemented and developed. Moreover, the planning must be consistent with the values at the heart of the organization and work in support of the strategy.

A study done by Ika (2010) on level of project planning efforts on the successful projects established that project success was insensitive to the level of project planning efforts but on the other hand ascertained that a significant correlation does exist between the use of monitoring and evaluation tools and project profile a success criterion which was an early pointer of project long-term impact. Further Ika (2010) conquered with the one of Chin (2012) indicating that M&E is even more critical than planning in achievement of project success. Similarly, one of the components of the project management methodology whose main aim is to achieve project success was monitoring project progress.

2.2.2 Staff Training and the Financial Performance

According to Nabris (2012) if monitoring and evaluation is done by untrained and inexperienced staff, it will be time consuming, costly and the results could be generated prove impractical and irrelevant hence failure of many projects. Staff training can affect the success of projects globally. In the study of United Nations Development Plan (UNDP, 2011), it was established that some of the challenges of organizational development as having inadequate monitoring and evaluation

systems is by having the untrained staff UNDP (2011) further asserts that the lack of capabilities and opportunities to train staff in technical skills in M&E is clearly a factor to be considered for the good financial performance of project.

A survey done by Gorgens & Kusek (2010) on the efficacy of M&E system on projects in Kenya found out that M&E systems cannot function without skilled people who effectively execute the M&E tasks for which they are responsible. World Bank (2011) points out that an effective performance of projects there should be good M&E human resource in terms of quantity and quality to maintain stable Staff working in the organization. Lack of monitoring and evaluation mechanisms and skills is a major systemic gap across the region (Bank, 2011).

UNAIDS (2008) asserts that not only is it necessary to have dedicated and adequate number of M&E staff, but it is also essential for the same staff to have the right skills for the work. Moreover, M&E human capacity building requires a wide range of activities, including formal training, in-service training, mentorship, coaching and internships. M&E capacity building should focus not only on the technical aspects of M&E, but also address skills in leadership, financial management, facilitation, supervision, advocacy and communication (Gorgens & Kusek, 2010).

According to Gorgens & Kusek (2010) monitoring and evaluation is important in understanding the skills needed and the capacity of people involved in the M&E undertaking human capacity assessments and addressing capacity gaps through structured capacity development programs which is at the heart of the M&E system. Building an adequate supply of human resource capacity is critical for the sustainability of M&E system and is generally an ongoing issue. Furthermore, it needs to be recognized that growing evaluators requires far more technically oriented M&E training and development than can usually be obtained with one or two workshops. Both formal

training and on-the-job experience are important in developing evaluators with various options for training and development opportunities which include: the public sector, the private sector, universities, professional associations, job assignment, and mentoring programs (Acevedo, 2010).

2.2.3 M&E Budgeting and Financial Performance of Projects

The implementation of effective M & E requires a participatory approach in budgetary planning, allocation and review by providing resources for M & E process requiring the support of top management (Mavhiki, Nyamwanza & Dhoru, 2013). Hwang & Lim (2013) also established that monitoring and evaluating, budget performance, schedule performance and quality performance could lead to project success. A study carried out by Ika (2012) through a regression analysis showed that there was a statistically significant and positive relationship between each of the five Critical Success Factors and project success. The five critical success factors include monitoring, coordination, and design, training and institutional environment. He further explained that, consistent with theory and practice, the most prominent CSFs for project supervisors are design and monitoring. Hence Ika (2012) ranks M&E highly as one of the major project success.

Research by Khake and Worku (2013) indicates that financial performance of many projects depends on human and financial factors. Financial project achievement of project performance depends on availability and utilization of resources. The allocation of resources for M&E in NGOs is an accountability issue. The challenge in allocation of resources for monitoring and evaluation function M & E is gaining traction and seen as a tool for strategic learning especially in project management. As such project leaders as well as project sponsors are setting aside financial resources for monitoring and evaluation.

According to Ika (2012) the measures for financial performance of projects include time, budget, safety, quality and overall client satisfaction. In today's case, monitoring and evaluation is not aligned to strategy, and in most cases underfunded. Okello and Mugambi (2015); Khake and Worku (2013) in their studies found out that financial performance of projects depends on the sector, type or size of projects through budgeting. Often, underfunding has led to monitoring and evaluation efforts being perceived as adding little value to organization decision makers. As per Kuwaviyah (2010) such monitoring and evaluation efforts are perceived to be not worth their cost. Monitoring and evaluation is a tool for strategic learning is gaining traction in project management especially at strategic level for managing projects budgets. Importantly, M&E budget is considered as key indicator under results based management (Kuwaviyah, 2010).

2.3 Knowledge Gap

The literature has tackled the concepts of M&E planning, staff training and M&E budgeting as the influencing factors of monitoring and evaluation on the financial performance. Understanding the M&E will help advocate for intervention by the NGOs and other stakeholders through fiscal and monetary policies to control financial projects in Kenya. Empirical review has been provided with studies on variables being evaluated. As it can be noted, the debate on the relationship between the monitoring and evaluation and the financial performance of NGOs is not yet settled. Further, most of these studies were done in different environments which cannot be generalized to others NGOs in Kenya. Hence, the present study seeks to bridge the gap.

CHAPTER THREE: RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

This chapter presents the methodology of the study and it comprised of research design, target population, study techniques, data collection procedure, validity, reliability, piloting of instruments, data analysis and ethical consideration. The chapter addressed the actual methodology that was used in the research process from inception to the end. The role of primary data in the process of addressing the various research questions was used and later analyzed to reach a reliable conclusion.

3.2 Research Design

Research design is a plan outlining how information is to be gathered for an assessment or evaluation that includes identifying the data gathering method(s), the instruments to be used/created, how the instruments was administered, and how the information is organized and analysed (Cooper and Schindler, 2003). The study employed descriptive research survey design for it portrays an accurate profile of situations (Cooper, 1999). This was designed to describe the characteristics of a particular phenomenon in a situation. It was used to obtain information concerning the current status of the study area. The design helped the researcher obtain information concerning the current status of the influence of monitoring and evaluation of projects at Actionaid Kenya.

3.3 Research Site and Rationale

The study was conducted in ActionAid Kenya Headquarters in Westlands offices Nairobi County. This NGO has been chosen because their location is ideal for the study and it has programmes for monitoring and evaluation practices in their projects.

3.4 Population of the Study

According to Mugenda and Mugenda (2012) population is the ‘universe’. Further, Blumberg, Cooper, & Schindler, (2014), defines population as all the members of a real hypothetical set of people, event or object to which a research wishes to generalize the results of the study. The target population of this research consisted of employees at the ActionAid Kenya ranging from top management, middle management and lower management. 600 respondents were targeted for this study.

3.5 Sampling Procedure

Stratified sampling was used to select the sample of the study. Stratified sampling technique is normally used for choosing people whose views are relevant to the issue (Jankovicz, 2000). It is a sampling technique that was appropriate for the study in that it enables the researcher select relevant respondents with appropriate information to benefit the study. Stratified sampling as noted by Kothari (2004) is a method applied if the population from which a sample is to be drawn and does not constitute an identical group, and hence requires comparisons between various sub-groups. The stratified sampling ensured sample is selected with high level of precision as the strata are not homogeneous as supported by (Mugenda, 2008).

3.6 Sample Size

According to Mugenda and Mugenda (2003) and Kothari (2004) a sample size of 10%-30% of the total population is adequate for a study. The target population of this study was all the employees of ActionAid in Nairobi. In this study, a sample of 20% of the target population that is 120 was used. The sample size of this study was therefore 120 employees in the ActionAid Kenya.

$$k = \frac{N}{n}$$

Where K is the sample size, and N is the population size and n is element in the frame selected

N= 600 respondents

n=20% population

k = 20% *N

k = 120 respondents

The sample was distributed as follows for each department;

Table 3.1: Sample Size

Target Respondents	Population Size	Sample Size
Employees at the ActionAid Kenya	600	120 (20%)

Source: Researcher (2019)

Table 3.2 Sample Distribution

No	Department	Total	Sample Size (20%)
1.	Procurement	64	13
2.	Production	158	31
3.	Accounts	52	10
4.	Administration	89	18
5.	Human Resource	102	20
6.	Records	135	28
	Total	600	120

Source: Researcher (2019)

3.7 Data Collection Procedure

The study used primary data which entailed the use of questionnaire. The questionnaire was used because it guarantees confidentiality as respondents' act with confident. Questionnaires were also used because they are cheap and do not require a lot of effort from researcher. A questionnaire was also preferred because it is simple to administer and convenient for collecting data within a short time that is according to (Kothari, 2004).

3.8 Research Instruments

The questionnaires were administered through email, drop and pick or by personal administration depending on which method is convenient to the specific respondents. It was designed in simple language and comprised of closed and open ended questions in a structured and standardized

manner. Closed questions seek the respondents to make choices from the various alternatives given. Closed questions aid the respondent to make decisions quickly in choosing the several alternatives provided. Open ended questions on the other hand permitted the respondents the leeway to answer in the way they choose and also gave them the opportunity to comment on issues that may have not been covered fully by the closed questions. In this case both were used to complement each other.

The questions were designed using the Likert's 5-point scale where items are assigned values 1-5. It allows the respondent to express opinion and demonstrate agreement or disagreement with the variable being measured. This type is easy to use on a large group and aids the respondent to respond to the questions quickly.

The Structure of the questionnaire followed the funnel approach where the questions start with general nature to specifics and easy to answer and progress to the more difficult ones. The researcher avoided leading questions, double barreled questions and questions that may confuse the respondents. The conclusion had open ended questions to allow the respondent to comment on matters that may not have been included in the questionnaire.

3.8.1 Piloting of research Instruments

The purpose of having the pilot study was to refine the studys instruments, that was by participants giving feedback on the clarity of the questions 'content, language, relevance of the items to the intended group, redundancy of the questions, difficulty of the questions, time taken to answer the questions as well as the layout and length of the questions so that validity can be enhanced. Moreover, it tested whether there is ambiguity in any item; if the instrument can elicit the type of data anticipated and also being appropriately addressed. The pilot study confirmed the validity of

the instruments. The researcher discussed the responses with the participants and any item found to be vague was rectified and any grammatical error corrected. The researcher verified all the items to ensure that they are valid and reliable

3.8.2 Validity of the Instrument

Validity is the precision and meaning of the derivatives derived from the results of the investigation. It is to the extent that the results of the analysis of the data really represent the phenomena that are investigated (Mugenda and Mugenda, 2008). To enhance validity of the instrument, they were given to two experts (my supervisors) for scrutiny and objective comments were used for amendment. In adytum pre testing was done to determine whether the questions are acceptable, answerable and well understood by the respondent.

3.8.3 Reliability of Research Instruments

Reliability is a test of reliability, consistency or credibility. The test elements are divided into two halves with elements that match the content and difficulty, and the score of the two halves scored separately. For tests that are reliable, the scores of the two halves have a high association (Cohen, Manion and Morrison, 2007). The instruments reliability was estimated using the Cronbach's Alpha Coefficient, which measures the internal coefficient. For a test to be termed as acceptably reliable, it must be at least 0.70 at $\alpha=0.05$ confidence level is acceptable (Gable and Wolf, 2003).

3.9 Data Analysis and Presentation of Findings

According to Mugenda and Mugenda (2003) data analysis is a process of bringing order, structure and meaning to the multitude of collected data. It is a chaotic, ambiguous, time-consuming, creative and fascinating process. The collected data was well examined and checked for

completeness and comprehensibility. The tabulated data was analyzed with the help of the Statistical Package for Social Sciences (SPSS 20.0) that has data handling and statistical analysis capability that can analyse data statistics and generate descriptive statistics. Descriptive statistics such as means, standard deviation and frequency distribution was used to analyse the data. Data presentation was done by the use of tables and figures to ease understanding and interpretation of the data. The purpose of presentation of data highlighted the results and to make data or results more illustrative by presenting in the form of figures and tables so that it is easy to observe general trends. For qualitative data, which was mainly gathered from open ended questions, the study consolidated information and interpretation and then analysed through content analysis. Content analysis is the process of analyzing verbal or written communications in a systematic way to measure variables qualitatively.

3.10 Ethical Considerations

To carry out the study, permission was sought from relevant officers using the letter of authorization from Nazarene University. The participants in the research were informed of what the study is all about so as to make their own judgment on whether to participate or not. In this case, the study was introduced to the respondents and they were informed about the purpose of the study and why their participation is important. In order to protect the privacy of the participants, confidentiality was guaranteed by assuring the participants that the information provided was only used for academic purpose and that it was not released to anybody else. Over and above that, the researcher acknowledged every source of information for purposes of honesty and transparency. In conclusion, the correct procedure of data collection was followed, since authorization letter and permits were obtained before onset of data collection. It was therefore expected that data collected was authentic.

**CHAPTER FOUR: DATA ANALYSIS AND PRESENTATION OF FINDINGS indicate
how your demographic data enriched your study; what was the contribution**

4.1 Introduction

This chapter presents the results and findings of the collected research data from the field. The study sought to examine the influence of monitoring and evaluation on the financial performance of projects at the Action Aid Kenya. The data was gathered exclusively from questionnaires as the research instrument. The questionnaire was designed in line with the research questions of the study.

4.1.1 Response Rate

A total of 120 questionnaires were distributed out of which 84 questionnaires were returned giving a response rate of 70%. This response was sufficient and representative of the population and conforms to Mugenda and Mugenda (2012) stipulation that a response rate of 70% and above is excellent. The findings are shown in Table 4.1.

Table 4.1 Response Rate

Number of questionnaires administered	Number of questionnaires filled and returned	Response rate
120	84	70%

Source: Researcher (2019)

4.2 Demographic Information

Prior to analysis of data on specific objective areas, the study preliminarily analyzed essential background information to form basis for subsequent inferences. The particular data included respondent's gender, age, and education, among others.

4.2.1 Gender of the Respondents

The study sought to establish the gender of the respondents. The findings are shown below.

Table 4.2 Gender

	Frequenc	
	y	Percent
Male	39	46
Female	45	53
Total	84	100

Source: Researcher (2019)

The findings in Table 4.2 show that majority 54% of the respondents were male while 46% were female. Male respondents were the majority. This shows that all genders were involved thus giving a good representation for the study.

4.2.2 Respondents' Age

The respondents were asked to indicate their age and the findings were as shown in Table 4.3 below.

Table 4.3 Age Bracket

	Frequency	Percentage
18 - 30 years	14	17
31 - 40 years	38	45
41 - 50 years	16	19
51 and above	16	19
Total	84	100

Source: Researcher (2019)

As indicated in Table 4.3, 45% of the respondents were between 31-40 years; 19% were between below 41 – 50 years and above 51 years each; and only 17% were between 18 - 30. The majority of the respondents were above 30 years thereby providing relevant and diverse information for the study.

4.2.3 Highest Level of Education of the Respondents

The respondents were required to indicate their highest level of education and the findings are as shown in Table 4.4.

Table 4.4 Level of Education

	Frequency	Percentage
Certificate	9	11
Diploma	10	12
Degree	42	50
Masters	23	27
Total	84	100

Source: Researcher (2019)

From the findings in Table 4.4, majority 50% of the respondents had a degree level of education, 27% had masters level, and 12% and 11% had diploma and certificate level respectively. Those with a degree level were the majority. These findings show that respondents from various education levels were involved thereby providing information on the different levels of education perspective on the influence of monitoring and evaluation practices on financial performance of projects.

4.2.4 Number of Years Worked by Respondents

The respondents were requested to indicate the number of years they have worked in the organization and the findings are as shown in Table 4.5

Table 4.5 No. of years worked

	Frequency	Percentage
Less than 5 years	10	12
6 - 10 years	23	27
11 - 15 years	31	40
16 - 20 years	4	5
Over 20 Years	16	19
Total	84	100

Source: Researcher (2019)

As per the findings in Table 4.5, 40% of the respondents had had worked in the organization for 11-15 years, 27% had worked 6-10 years, 19% and 12% had worked for over 20 years and less than 5 years respectively. The majority of the respondents had worked for over 10 years. This shows that the findings were relevant and reliable in ascertaining the influence of monitoring and evaluation practices on financial performance of projects in Actionaid Kenya since the respondents had worked for a considerable period of time.

4.2.5 Respondents Job Level

The respondents were required to indicate their department in the organization. The findings are as presented in Table 4.6.

Table 4.6 Department

	Frequency	Percentage
Top	15	18
Middle	54	64
Lower	15	18
Total	84	100

Source: Researcher (2019)

As shown above, majority 64% of the respondents indicated they were in the middle job level, 18% of the respondents indicated they were in the top job level, and lower level each. Majority of the respondents were in the middle level. This shows that the respondents were spread across different job levels thereby providing information relevant and reliable for the study.

4.2.6 M&E contributes to the success of the projects

The study sought to establish whether M&E contributes to the success of the projects.

Table 4.7 M&E contributes to the success of your projects

	Frequency	Percent
Yes	56	68
No	22	26
I don't know	6	7
Total	84	100

Source: Researcher (2019)

The respondents were required to give their opinion on whether M&E contributes to the success

of your projects in the organizations and majority 68% indicated yes, 26% indicated no while 7% indicated they don't know. From the analysis the study implies that monitoring and evaluation practices brings success of projects in Actionaid Kenya.

4.3 Monitoring and Evaluation and the Financial Performance of Projects at the ActionAid Kenya

The general objective of the study was to establish the influence of monitoring and evaluation practices on the financial performance of projects in Kenya, in Nairobi County.

4.3.1 The Effects of M&E Planning on the Financial Performance

The first objective was to determine the effects of monitoring and evaluation planning on the financial performance of projects in Kenya. The respondents were asked whether M&E planning helps in understanding project expectations and the findings are presented in Table 2 below

The tabulated data was analyzed with the help of the Statistical Package for Social Sciences (SPSS 20.0) that has data handling and statistical analysis capability that can analyse data statistics and generate descriptive statistics. Descriptive statistics such as means, standard deviation and frequency distribution was used to analyse the data

Table 4.8 M&E planning helps in understanding project expectations

	Frequency	Percentage
Yes	62	74
No	22	26
Total	84	100

Source: Researcher (2019)

As per Table 4.8 majority 74% of the respondents agreed that M&E planning helps in understanding project expectations while only 26% disagreed. The study shows that M&E planning practice helps in understanding project expectations in Actionaid Kenya.

4.3.1.1 M&E planning influence the financial performance of projects

On whether M&E planning influences the financial performance, the findings are as below.

Table 4.9 M&E planning influence the financial performance of projects

	Frequency	Percentage
Yes	69	82
No	15	18
Total	84	100

Source: Researcher (2019)

On the other hand the respondents were requested to indicate whether M&E planning influences

the financial performance of projects in Actionaid Kenya. From the findings majority 82% of the respondents indicated yes while only 18% indicated no. This implies that M&E planning practice influences the financial performance of the projects.

4.3.1.2 Rating M&E Planning

The respondents were required to rate the extent to which M&E planning influences the financial performance of projects in ActionAid Kenya.

Table 4.10 Rating the Influence of M&E Planning on Financial Performance of Projects

	Frequency	Percentage
Satisfactory	28	33
Neutral	21	25
Unsatisfactory	35	42
Total	84	100

Source: Researcher (2019)

The study sought to establish how the respondents rate M&E planning practices on financial performance of projects in Actionaid Kenya. Accordingly it was established that most 42% of the respondents rated it as unsatisfactory, 33% rated it as satisfactory and 18% rated it as neutral. This shows that M&E planning systems are unsatisfactorily.

4.3.1.3 M&E Planning and Financial Performance of projects

The respondents were then asked to indicate the extent to which the following M&E planning practices factors influences the financial performance of projects at the Actionasi Kenya. A scale of 1-5 was provided as follows 1 = Strongly Disagree 2= Disagree, 3= Neutral, 4 =Agree, 5= Strongly Agree. (Kothari, 2004) and (Sekaran, 2006) indicate that a positive median should be over 60% or 3 on the Likert scale. From the responses, mean and standard deviation were used for ease of interpretation and generalization of findings. The findings are clearly illustrated in the subsequent sections. On this scale, score of 60% is a median of 3 and was treated as a positive

result while a lower score was treated as a negative result.

Table 4.11 The influence of M&E Planning on Financial Project

	Mean	Std. Deviation
In this organization M&E planning plays a major role hence improves the financial performance most projects	4.1071	1.19253
Planning ensures the accuracy and reliability of the information generated in this organization	4.2738	.94870
Planning clarifies the scope of the assessment in any project where the main purpose of the evaluation is identified	3.2857	1.38470
In our organization planning process is consistent with the values at the heart of the organization and work in support of the strategy	3.2976	1.20020
This organization has got excellent M&E planning systems	3.9762	1.06393
The organization has a well-defined planning structure that includes a monitoring and evaluation unit	4.4286	.99741

Source: Researcher (2019)

According to the findings in Table 4.11, majority of the respondents generally agreed that M&E planning practice influences the financial performance of the projects at the Actionaid Kenya. Specifically, the organization has a well-defined planning structure that includes a monitoring and

evaluation unit generated a mean score of 4.428 and standard deviation .997. Planning ensures the accuracy and reliability of the information generated in this organization had a mean score of 4.273 and standard deviation .948. In this organization M&E planning plays a major role hence improves the financial performance most projects generated a mean of 4.107 and standard deviation 1.192. This organization has got excellent M&E planning systems had the mean score of 3.976 and standard deviation 1.063. Planning clarifies the scope of the assessment in any project where the main purpose of the evaluation is identified generated a mean score of 3.285 and standard deviation 1.3847. Finally, in our organization planning process is consistent with the values at the heart of the organization and work in support of the strategy generated a least mean score of 3.297 and standard deviation 1.200.

From the findings, the study revealed that &E planning practice influences the financial performance of the projects at the Actionaid Kenya where most statements had the high mean scores. The study indicated that M&E planning plays a major role hence improves the financial performance most projects and also the organization has a well-defined planning structure that includes a monitoring and evaluation unit. It was also noted that planning clarifies the scope of the assessment in any project where the main purpose of the evaluation and it ensures the accuracy and reliability of the information generated in the organization.

4.3.2 The effect of staff training on the financial performance of projects

The second objective was to assess the effect of staff training on the financial performance of projects in Kenya. The respondents were asked if staff training influences the financial performance of projects in Actionaid Kenya and the finding are presented in the figure below.

Table 4.12 Staff training influences the financial performance of projects

	Frequency	Percentage
Yes	69	82
No	15	17
Total	84	100

Source: Researcher (2019)

According to Table 4.12, majority 82% of the respondents agreed that staff training influences the financial performance of projects whereas 18% disagreed.

4.3.2.1 Ever Participated in M&E Training for the Project

The study sought to know whether the respondents have ever participated in M&E training for the projects and the response was as follows:-

Table 4.13 Ever Participated in M&E Training for the Project

	Frequency	Percentage
Yes	60	71
No	24	29
Total	84	100

Source: Researcher (2019)

Consequently the respondents were asked if they have ever participated in M&E training for the projects and the response was as follow; most 71% of the respondents indicated that they have participated and 29% indicated that they have not participated in any M&E training for any project.

The study sought to know the focus of training and the findings are presented in table 4.14 below.

Table 4.14 The Focus of the Training

	Frequency	Percentage
M&E reporting using reporting tools	23	27
Indicators of the project	39	47
Communication strategy	16	19
Project components and deliverables	6	7
Total	84	100

Source: Researcher (2019)

The study sought to identify the focus of the training for those who participated in the training for a project most of them 47% focused on the indicators of the projects, 27% indicated M&E reporting using reporting tools, 19% and 7% indicated communication strategy and project components and deliverables.

4.3.2.2 M&E training help in understanding project expectations

On whether M&E training help in understanding project expectations the illustration is as below:-

Table 4.15 M&E training help in understanding project expectations

	Frequency	Percent
Yes	63	75.0
No	21	25.0
Total	84	100.0

Source: Researcher (2019)

As per the findings in Table 4.15, 75% of the respondents indicated that M&E training help in understanding project expectations whereas 25% indicated it did not. This shows that M&E training helps in understanding project expectations in the non-governmental organizations in Kenya.

Staff training and financial Performance

The study sought to determine whether staff training influences financial performance of projects.

Table 4.16 The Influence of Staff Training of Financial Performance

	Mean	Std. Deviation
The organization has skilled personnel who are accountable in their work	3.3571	1.36781
The monitoring and evaluation officers are knowledgeable in the day-to-day management of monitoring and evaluation systems hence provide quality work	3.4881	1.38402
Good system identifies key issues as well as root of problems that the organization wants to address which improves the safety in the organization	3.7262	7.82543
Good staff training on M&E improves the financial performance by providing quality working conditions in the organization	2.8095	1.39255
M&E human capacity building in this organization has a wide range of activities, including formal training, in-service training, mentorship, coaching and internships.	3.0595	1.29272
Both formal training and on-the-job experience are important in developing evaluators with various options for training and development in this organization	3.3810	1.22134

Source: Researcher (2019)

The respondents were asked to rate the level they agree or disagree on staff training and financial performance. As indicated in Table 4.16, the mean values for the responses varied from 2.809-3.726 which showed that the respondents agreed with the statements that staff training influences financial performance at the Actionaid Kenya. In particular, good system identifies key issues as well as root of problems that the organization wants to address which improves the safety in the organization generated a mean score of 3.726 and standard deviation 7.825. The monitoring and

evaluation officers are knowledgeable in the day-to-day management of monitoring and evaluation systems hence provide quality work had a mean of 3.488 and standard deviation 1.384. Both formal training and on-the-job experience are important in developing evaluators with various options for training and development in this organization generated a mean of 3.381 and standard deviation 1.221. The organization has skilled personnel who are accountable in their work had a mean of 3.357 and standard deviation 1.367. M&E human capacity building in this organization has a wide range of activities, including formal training, in-service training, and mentorship; coaching and internships had a mean of 3.059 and standard deviation 1.292. Good staff training on M&E improves the financial performance by providing quality working conditions in the organization had a mean of 2.809 and standard deviation 1.392.

The findings imply that staff training influences the financial performance of projects in the organization. This is evidently seen from the finding where the respondents agreed with most statements for example the study indicated that the organization has skilled personnel who are accountable in their work and it has good system which identifies key issues as well as root of problems that the organization wants to address which improves the safety in the organization. In addition the study revealed that good staff training on M&E improves the financial performance by providing quality working conditions in the organization where officers are knowledgeable in the day-to-day management of monitoring and evaluation systems hence provide quality work hence the improvement of the financial performance of the projects in Kenya.

4.3.3 The influence of M&E budgeting on Financial Performance

Finally, the study sought to establish the extent to which monitoring and evaluation budgeting influence the financial performance of projects in Kenya.

Table 4.17 M&E budgeting influence the financial performance of projects

	Frequency	Percentage
Yes	73	87
No	11	13
Total	84	100

Source: Researcher (2019)

The respondents were asked to give their opinion on whether M&E budgeting influences the financial performance of projects at the Actionaid Kenya. Majority 87% indicated that M&E budgeting influences financial performance and only 13% stated that it does not.

4.3.3.1 The extent to which budgeting influence financial performance

On the extent to which M&E budgeting influences the financial performance the findings are illustrated in Table 4.18 below.

Table 4.18 The extent to which budgeting influence financial performance

	Frequency	Percentage
Very large extent	25	30
Large extent	37	44
Low extent	18	21
Very low Extent	4	5
Total	84	100

Source: Researcher (2019)

Consequently, the respondents were asked to rate the extent to which M&E budgeting influences financial performance. 44% rated it to large extent, 30% rated very large extent, 21% rated to low extent and finally, 5% rated it to a very low extent. The study implies that M&E budgeting influences financial performance to a large extent.

Table 4.19 The influence of M&E Budgeting on Financial Performance

	Mean	Std. Deviation
M&E budget performance, schedule performance and quality performance has led to project success in our organization	3.8571	1.20384
In this organization financial performance of many projects depends on human and budgeting factors.	3.6905	.98147
M&E budget is considered as key indicator under results based management in our organization	3.3214	1.37237
Financial performance of projects depends on the sector, type or size of a project through M&E budgeting	3.9643	1.17654

Source: Researcher (2019)

The study sought to determine the extent to which M&E budgeting influences financial performance. The mean values for the findings as presented in Table 4.19, varied from 3.32- 3.96 which shows that the respondents strongly agreed with the statements on extent to which M&E budgeting influences financial performance of projects in ActionAid Kenya. Financial performance of projects depends on the sector, type or size of a project through M&E budgeting

generated a mean score of 3.964 and standard deviation 1.176. M&E budget performance, schedule performance and quality performance has led to project success in our organization had a mean of 3.857 and standard deviation 1.203. In this organization financial performance of many projects depends on human and budgeting factors generated a mean score of 3.690 and standard deviation .98147 whereas M&E budget is considered as key indicator under results based management in our organization generated a least mean score of 3.321 and standard deviation 1.372.

From the analysis the study concludes that M&E budgeting has a greater influence on financial performance of projects in non-governmental organizations. This can be explained because financial performance of many projects depends on human and budgeting factors where quality performance has led to project success in the organization. In addition, M&E budget is considered as key indicator under results based management in ActionAid organization.

4.3.4 Financial Performance of Projects in ActionAid Kenya.

The findings on how the respondents indicated the level of financial performance at the Actionaid Kenya are presented below.

Table 4.20 Financial Performance

	Mean	Std. Deviation
Number of project deliverables	2.4286	1.03302
Timeliness of project delivery	2.3810	1.16065
Cost of project	2.5190	.99885
General level of satisfaction of project performance	2.2500	1.23088

Source: Researcher (2019)

The findings as presented in Table 4.20 above reveal that majority of the respondents neutrally agreed that financial performance of M&E practices are implemented in ActionAid Kenya as depicted by moderate mean score values of most statements. Cost of project had a mean score of 2.519 and standard deviation .998. Number of project deliverables generated a mean score of 2.428 and standard deviation 1.033. Timeliness of project delivery had a mean score of 2.381 and standard deviation 1.160 and finally, general level of satisfaction of project performance generated a mean score of 2.250 and standard deviation 1.230.

4.4 Chapter Summary

This chapter has presented the study results and findings. The major findings of the study include the existence of statistically significant relationship between M&E practices (M&E planning practices, staff training practices and M&E budgeting practices) and financial performance. Overall, staff training had the least influence on financial performance of projects in ActionAid, Kenya, followed by M&E budgeting, while M&E planning had the highest influence.

CHAPTER FIVE: SUMMARY OF FINDINGS, DISCUSSION, CONCLUSION AND RECOMMENDATIONS be brief on this chapter no figures or statistics; discuss your findings based on your thematic areas (objectives) as guided. Delete all unfounded statistics! Discuss your findings by validating every theme (objectives) with a scholar in chapt two... the reason why in-depth analysis of chap 2 is very important. Ground or anchor your findings too or on your theories; you can indicate how they support your study in a nut shell.

5.1 Introduction

This chapter presents the study discussion, conclusion and recommendation. The summary of the entire study is presented first. This is followed by summary of M&E planning, the summary on staff training practices and the summary of M&E budgeting. The study conclusions and recommendations are presented in the same order.

5.2 Summary

The purpose of the study was to assess the role of M & E Practises on the financial performance of projects in Kenya, a case of Action Aid Kenya. The study sought to specifically determine the effects of M & E planning, training and budgeting and how these affect the general performance of projects . Review of the empirical literature is an indication that these factors are paramount in improving the financial performance of projects and there is therefore need to fully incorporate them into M & E practises so as to improve the performance of projects in within the organization.

5.3 Discussion

M&E planning plays a major role in the performance of projects because planning ensures the accuracy and reliability of the information generated in the organization. In every project globally, the evaluation should be employed including design, planning and implementation processes that have quality. The study revealed that M&E planning practice influences the financial performance of the projects at the Action aid Kenya. A study done by Kusek & Rist (2014) concurs with this study that planning is important in community participation on M&E because it defines success of the project. Similarly, Morra (2009) concurred with the study findings where his study found out that there is often a need for some structural support for M&E, such as a separate evaluation unit which at the very least needs one person who is the internal champion identified to make sure the system is implemented and developed.

The study also established that staff training influences the financial performance of projects. Moreover, training of staff must be consistent with the values at the heart of the organization and work in support of the strategy. Similarly UNDP (2011) found out that the lack of capabilities and opportunities to train staff in technical skills in M&E is clearly a factor to be considered for the good financial performance of project. Also a report of World Bank (2011) concurred with this study which indicated that lack of monitoring and evaluation mechanisms and skills is a major systemic gap across the region.

The study further determined the extent to which monitoring and evaluation budgeting influence the financial performance of projects in Kenya. It was revealed that M&E budgeting influences financial performance to a large extent. Also Khake & Worku (2013) in their study indicated that financial performance of many projects depends on human and financial factors. Further, Ika

(2012) concurred with this study and showed that there was a statistically significant and positive relationship between M&E budgeting and project success. Hwang and Lim (2013) also established that monitoring and evaluating budget performance, schedule performance and quality performance could lead to project success.

5.4 Conclusion

Firstly the study sought to determine the effects of monitoring and evaluation planning practices on the financial performance of projects in Kenya. The study showed that M&E planning practice helps in understanding project expectations in Action aid Kenya and also planning influences the financial performance of the projects. The study also revealed that M&E planning systems in Action aid Kenya are unsatisfactorily. Further findings revealed that M&E planning practice influences the financial performance of the projects at the Action aid Kenya in which the study indicated that M&E planning plays a major role hence improves the financial performance most projects and also the organization has a well-defined planning structure that includes a monitoring and evaluation unit. It was also noted that planning clarifies the scope of the assessment in any project where the main purpose of the evaluation and it ensures the accuracy and reliability of the information generated in the organization.

Secondly, the study assessed the effect of staff training practice on the financial performance of projects in Kenya, from the findings the study concluded that M&E training helps in understanding project expectations in the non-governmental organizations in Kenya. The findings also implied that staff training influences the financial performance of projects in the organization. This is evidently seen from the finding where the respondents agreed with most statements for example the study indicated that the organization has skilled personnel who are accountable in their work

and it has good system which identifies key issues as well as root of problems that the organization wants to address which improves the safety in the organization. In addition the study revealed that good staff training on M&E improves the financial performance by providing quality working conditions in the organization where officers are knowledgeable in the day-to-day management of monitoring and evaluation systems hence provide quality work hence the improvement of the financial performance of the projects in Kenya.

Lastly the study sought to establish the extent to which monitoring and evaluation budgeting influence the financial performance of projects in Kenya. From the analysis the study revealed that M&E budgeting influences financial performance to a large extent. Additionally, the study concluded that M&E budgeting has a greater influence on financial performance of projects in non-governmental organizations. This can be explained because financial performance of many projects depends on human and budgeting factors where quality performance has led to project success in the organization. In addition M&E budget is considered as key indicator under results based management in an organization.

5.5 Recommendation

In line with the study findings and conclusion the study would make the following recommendations:-

M&E planning should be implemented in Kenya and all non-governmental organizations because from the findings the study revealed that M&E planning practice influences the financial performance and the practice plays a major role in most projects.

There is also a need for staff training practice to be adhered to in the organization because from

the findings it is noted that the practice influences the financial performance. By providing good training of staff on monitoring and evaluation, they will have knowledge in the day-to-day management through providing the quality work in the organization.

Finally, M&E budgeting should be observed in the organizations. It has been noted that M&E budgeting practice has a greater influence on financial performance of projects because financial performance of many projects depends on human and budgeting practice where quality performance has led to project success in the organization. Budgeting entails costing, human resource management and time management. By observing M&E in non- governmental organization financial performance will be improved.

5.6 Recommendation for Further Research

This study sought to examine the influence of monitoring and evaluation on the financial performance of projects at the ActionAid Kenya. There is a need for further studies to carry out similar tests on other NGOs in Kenya to compare the findings. In addition, more variables depicting monitoring and evaluation practices should be adopted to uphold the study's findings that for sure NGO with proper M&E practices have highly improved the financial performance of projects. Also, this study only covers three variables of M&E practices (M&E planning practice, staff training practice), simultaneously. Future studies could increase the scope and consider each of three variables independently on financial performance of projects.

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APPENDICES**APPENDIX I: LETTER OF INTRODUCTION**

Emma Bundi,

July 2019

To The Management,

P.O Box 31216 – 00100,

NAIROBI.

Dear Sir,

RE: REQUEST FOR AUTHORITY TO CONDUCT RESEARCH AT YOUR ORGANIZATION

Am a student undertaking a Post Graduate Diploma course in Monitoring and Evaluation at the Africa Nazarene University. As a requirement of the course, am required to submit a research project report on: **“Influence of Monitoring and Evaluation practices on the Financial Performance of Projects in ActionAid Kenya”**. The information you provide is purely for academic purpose and will therefore be treated with utmost confidentiality.

Your consideration will really be appreciated.

Yours faithfully,

Emma Bundi

APPENDIX II: RESEARCH QUESTIONNAIRE

This questionnaire assists in data collection for academic purpose. This is not a test since there is no right or wrong answer, and everyone will have different responses. The purpose of the study is to assess the influence of monitoring and evaluation on the financial performance of projects at the ActionAid Kenya.

SECTION ONE: PERSONNAL

Instructions: Please tick in the brackets (√) as appropriate.

SECTION A: DEMOGRAPHIC INFORMATION

1. Gender: Male ()

Female ()

2. Age bracket

18 – 30 years ()

31 – 40 years ()

41 – 50 years ()

51 and above ()

3. Level of education

Certificate ()

Diploma ()

Degree ()

Masters ()

Others Specify.....

4. No. of years worked in your organization

Less than 5 years ()

6 – 10 years ()

11 – 15 years ()

16 – 20 years ()

Over 20 Years ()

5. Department

Top ()

Middle ()

Lower ()

6. Does monitoring and evaluation contributes to the success of your projects in your organization?

Yes ()

No ()

I don't know ()

**SECTION B: THE INFLUENCE OF MONITORING AND EVALUATION PLANNING
ON THE FINANCIAL PERFORMANCE OF PROJECTS AT THE ACTIONAID KENYA**

7. Do M&E planning helps in understanding project expectations in your organization?

Yes () No ()

If yes explain how.....

.....

8. Does M&E planning influence the financial performance of projects at the ActionAid Kenya?

Yes () No ()

If yes above explain how it influences

.....

.....

9. How do you rate the influence of M&E planning on the financial performance of projects in your organization?

Satisfactory ()

Neutral ()

Unsatisfactory ()

10. Please indicate your opinion as per the level of disagreement or agreement with the outline statement concerning M&E planning in your organization using 1 to 5 scale guideline.

1 = Strongly Disagree 2= Disagree, 3= Neutral, 4 =Agree, 5= Strongly Agree

STATEMENT	1	2	3	4	5
In this organization M&E planning plays a major role hence improves the financial performance most projects					
Planning ensures the accuracy and reliability of the information generated in this organization					
Planning clarifies the scope of the assessment in any project where the main purpose of the evaluation is identified					
In our organization planning process is consistent with the values at the heart of the organization and work in support of the strategy					
This organization has got excellent M&E planning systems					
The organization has a well-defined planning structure that includes a monitoring and evaluation unit					

SECTION C: THE INFLUENCE OF STAFF TRAINING ON THE FINANCIAL PERFORMANCE OF PROJECTS AT THE ACTIONAID KENYA

11. In your opinion do you think staff training influences the financial performance of projects in your organization? How did you analyse this qualitative data?

Yes () No ()

12. Please indicate your opinion as per the level of disagreement or agreement with the outline statement concerning the influence of staff training on financial performance in your organization using 1 to 5 scale guideline.

1 = Strongly Disagree 2= Disagree, 3= Neutral, 4 =Agree, 5= Strongly Agree

STATEMENT	1	2	3	4	5
The organization has skilled personnel who are accountable in their work					
The monitoring and evaluation officers are knowledgeable in the day-to-day management of monitoring and evaluation systems hence provide quality work					
Good system identifies key issues as well as root of problems that the organization wants to address which improves the safety in the organization					
Good staff training on M&E improves the financial performance by providing quality working conditions in the organization					
M&E human capacity building in this organization has a wide range of activities, including formal training, in-service training, mentorship, coaching and internships.					
Both formal training and on-the-job experience are important in developing evaluators with various options for training and					

development in this organization					
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SECTION D: THE INFLUENCE OF M&E BUDGETING ON THE FINANCIAL PERFORMANCE OF PROJECTS AT THE ACTIONAID KENYA

13. In your opinion do you think M&E budgeting influence the financial performance of projects in your organization.

Yes () No ()

14. To what extent does budgeting influence financial performance in your organization

Very large extent ()

Large extent ()

Low extent ()

Very low Extent ()

15. Have you ever participated in M&E training for the project in this organization

Yes () No ()

16. If yes, what was the focus of the training?

M&E reporting using reporting tools ()

Indicators of the project ()

Communication strategy ()

Project components and deliverables ()

Others (specify)

17. Did the M&E training help in understanding project expectations?

Yes () No ()

18. On a scale provided below please indicate your opinion as per the level of disagreement or agreement with the outline statement concerning the M&E budgeting on financial performance in your organization using 1 to 5 scale guideline.

1 = Strongly Disagree 2= Disagree, 3= Neutral, 4 =Agree, 5= Strongly Agree

STATEMENT	1	2	3	4	5
M&E budget performance, schedule performance and quality performance has led to project success in our organization					
In this organization financial performance of many projects depends on human and budgeting factors.					
M&E budget is considered as key indicator under results based management in our organization					
Financial performance of projects depends on the sector, type or size of a project through M&E budgeting					

SECTION E: FINANCIAL PERFORMANCE

19. On a scale of 1-5, kindly indicate what was the rating following the outline statement using 1 to 4 scale guideline.

1 = Most Successful 2= Successful, 3= Least Effective, 5= Very Least Effective

	1	2	3	4
Number of project deliverables				
Timeliness of project delivery				
Cost of project				
General level of satisfaction of project performance				

THANK YOU FOR YOUR PARTICIPATION