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BUDGETING PRACTICES AND FINANCIAL SUSTAINABILITY OF NON-PROFIT ORGANIZATIONS IN KISII COUNTY, KENYA

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ABSTRACT

The objective of this research was to assess the effect of budgeting practices on financial sustainability of non-profit organizations in Kisii County, Kenya. The specific objectives are; to determine the effect of budget planning on financial sustainability, to establish the effect of budget implementation on financial sustainability, to assess the effect of budget control on financial sustainability and to determine the effect of budget review on financial sustainability of non-profit organizations in Kisii County, Kenya. The research was based on four theories namely; the resource dependency theory, agency theory, contingency theory and institutional theory. Descriptive research design was employed in this study. The population of the study was all the 73 non-profit organizations in Kisii County, Kenya that have implemented projects in the last 3 years which were all studied using a census. The target respondent was the head of finance in each non-profit organization. A descriptive survey research design was utilized. Questionnaires were utilized in primary data collection. The collected data was analysed using multiple linear regression method. Data collected was analyzed using both descriptive and inferential statistics; and presented inform of tables. Ordinary Least Square method was used for estimation and Statistical Package for Social Sciences (SPSS) Version 24 was used to aid the analysis. Results showed that budget planning has a positive significant effect on financial sustainability ($\beta = 0.142$; $p = 0.014$), budget implementation has a significant positive effect on financial sustainability ($\beta = 0.340$; $p = 0.029$; budget control has a significant positive effect on financial sustainability, ($\beta = 0.235$; $p = 0.017$) and budget review has a significant positive factor affecting financial sustainability ($\beta = 0.305$; $p = 0.001$). It was recommended that policymakers leverage these insights to develop targeted interventions supporting NGOs in enhancing their financial resilience.

Key Words: *Budget Planning, Budget Implementation, Budget Control, Budget Review, Financial Sustainability*

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INTRODUCTION

Financial sustainability is of utmost importance for non-profit organizations in the current era of globalization. In a world that is increasingly interconnected and competitive, non-profits must secure stable and adequate funding to effectively fulfill their missions and remain viable (Ebenezer, Musah, & Ahmed, 2020). They face the need to adapt to evolving global trends and address pressing issues such as poverty, inequality, and environmental degradation. Non-profit organizations may invest in long-term solutions and increase resilience by assuring their financial stability, which will increase their effect and bring about lasting change (Adbi, 2022). In a globalized world, Fruk and Badurina (2021) financial stability also helps non-profits to take advantage of financing possibilities abroad and work with foreign partners to address difficult problems. In a linked and dynamic global environment, non-profit organizations may expand their impact, effectiveness, and reach by putting financial sustainability first.

Kenyan nonprofit organizations are beginning to understand the value of budgeting as a key component of sound financial management. Although the amount of sophistication may range across various organizations, many companies create yearly budgets to plan and track their income and spending (Wanga, 2022). Adopting more sophisticated budgeting strategies may be difficult if you have limited access to financial management resources and training. In addition, the non-profit industry in Kenya is primarily dependent on donor financing, making income stream diversification essential to maintaining financial sustainability (Nyangau, 2020). In Kenya, initiatives are being undertaken to improve non-profit organizations' financial literacy and capacity-building, which will improve their capability to make wise financial decisions and guarantee long-term financial stability (Iswan & Kihara, 2022).

In Kisii County, non-profit organizations' capacity to maintain their financial sustainability is a top priority as they work to carry out their goals and tackle urgent social issues. The financial sustainability of nonprofit groups in Kisii is hampered by a number of factors, including as few funding sources, fierce competition for resources, and high operating costs (Oyaro, 2021). Many non-profits in Kisii are implementing budgeting strategies to successfully manage their money in order to overcome these obstacles. They create yearly budgets that list anticipated revenue and costs so they can keep tabs on their financial performance and make wise choices (Lavu & Maina, 2020). However, there is opportunity for development in the implementation of more complex budgeting procedures, such as the use of budgeting tools and software, frequent budget reviews, and including the board of directors and finance committees. Access to training and tools, as well as increased financial literacy, may help Kisii County's nonprofits improve their budgeting procedures and attain long-term financial sustainability.

Budgeting practices describe the organized method of developing, carrying out, and overseeing budgets within an organization. Based on expected income and predicted costs, financial resources are allocated to various projects and activities (Jermias, Fu, Fu & Chen, 2023). Setting financial goals and objectives, predicting revenue and expenses, developing a budget plan, comparing actual financial performance to the budget, and making modifications as needed are all common phases in budgeting techniques. Organizations may make wise judgments by using effective budgeting procedures to distribute resources, set priorities for spending, monitor financial progress, and track expenditure. For both profit-driven and nonprofit organizations, it is essential for financial planning, resource management, and ensuring financial sustainability (Jayalakshmi et al., 2023). According to Vagin & Shapovalova (2020), budget planning, budget implementation, budget control, and budget review are the four most crucial budgeting processes.

Financial sustainability is the capacity of an organization to preserve its long-term financial health and viability. To maintain continuous operations and the capacity to carry out its goal, it entails successfully managing financial resources, producing enough revenue, and limiting costs (Cheuk, 2021). Financial sustainability aimed to provide the groundwork for long-term development and influence, going beyond short-term financial stability. Diversifying financing sources, creating dependable revenue streams, astute financial planning, efficient cost control, and accumulating reserves or endowments are all part of it. Organizations may invest in strategic projects, weather economic fluctuations, adapt to changing conditions, and continue their operations in order to produce long-lasting social or environmental value by achieving financial sustainability (Oyaro, 2021).

In Kisii County, nonprofits are significant in tackling social issues and provide crucial services to the local population. Kisii County is home to a number of non-profit organizations working in a variety of fields, including healthcare, education, eradicating poverty, protecting the environment, and promoting human rights (Odhiambo & Njuguna, 2021). These nonprofits are dedicated to enhancing the quality of life for Kisii citizens via creative initiatives, lobbying work, and community involvement. To promote sustainable development and social change, they frequently work in partnership with governmental bodies, international organizations, and local communities (Obegi & Kimutai, 2019). A complicated itigation framework, a lack of financing, and resource limitations are just a few of the difficulties faced by non-profits in Kisii. However, their commitment, tenacity, and unceasing efforts greatly improve the wellbeing and standard of living for the varied people of Kisii County (Claire, 2020).

Statement of the Problem

Financial sustainability is of paramount importance for non-profit organizations in Kenya as they strive to address social challenges and achieve their missions. These organizations face numerous challenges, including limited funding sources, rising operational costs, and the need to adapt to an ever-changing landscape (Nyangau, 2020). According to a 2021 report by the Kenya National NGO Board, only 12% of NGOs in Kenya are self-sustainable, while the remaining 88% rely on external funding. Non-profit organizations find it difficult to obtain the funding they need to maintain their operations, broaden their reach, and leave a lasting impression when there are no sustainable financial policies in place (Oluoch, K'Aol & Kosha, 2021). Their potential to invest in initiatives for growing capacity, infrastructure, and programs is hampered by a lack of financing. In order to maintain the long-term survival and efficiency of these organizations, it is also necessary to have a greater grasp of the elements that contribute to financial sustainability given the dynamic character of the non-profit sector in Kenya (Odhiambo & Njuguna, 2021).

In order to overcome the obstacles non-profit organizations in Kenya encounter and improve their financial sustainability, budgeting practices are crucial. Organizations may strategically allocate resources, match financial plans with organizational goals, and track financial success with the help of effective budgeting procedures (Omondi-Ochieng, 2021). Sound budgeting procedures as per Lavu and Maina (2020) may help non-profits increase their income, control costs effectively, and set aside money for unforeseen emergencies. Budgeting procedures also promote the qualities of accountability, transparency, and good financial management—all of which are essential for luring in and keeping the support of donors. Budgeting procedures offer a framework for companies to adjust to uncertainty, make knowledgeable decisions, and build a strong base for long-term financial sustainability (A'yun & Hartaman, 2021).

The link between budgeting practices and financial sustainability in the nonprofit sector has been examined in a number of empirical studies. In their study of budgeting procedures in non-profit organizations, for instance, Odhiambo and Njuguna

(2021) discovered that organizations with more effective budgeting procedures had better levels of financial sustainability. Organizations with open and responsible budgeting processes were more likely to garner enduring donor support, according to Mutungi and Mbuva (2023), who examined the effect of budgeting policies on donor trust. Varghese (2021) also looked at how budgeting strategies affected non-profit organizations' capacity to adjust to shifting financing situations and found that those with flexible budgeting processes were more resilient and financially viable.

Despite the existing empirical research, there are still notable research gaps that warrant further investigation. First, the majority of previous studies have been conducted in different contexts, and there is a need to explore the specific challenges and dynamics of the non-profit sector in Kisii, Kenya. Further, there is a need for a deeper understanding of the specific budgeting practices that are most effective in enhancing financial sustainability in the Kisii, Kenya context. This proposed study aimed to fill these research gaps by investigating the effect of budgeting practices on the financial sustainability of non-profit organizations in Kisii, Kenya.

Objectives of the Study

The general research objective was to establish the effect of budgeting practices on the financial sustainability of non-profit organizations in Kisii County, Kenya. The specific objectives were to:

- To determine the effect of budget planning on the financial sustainability of non-profit organizations in Kisii County, Kenya
- To establish the effect of budget implementation on the financial sustainability of non-profit organizations in Kisii County, Kenya
- To assess the effect of budget control on the financial sustainability of non-profit organizations in Kisii County, Kenya
- To determine the effect of budget review on the financial sustainability of non-profit organizations in Kisii County, Kenya

LITERATURE REVIEW

Theoretical Review

Resource Dependency Theory

The goal of the resource dependency theory, which was created in 1978 by sociologists Jeffrey Pfeffer and Gerald R. Salancik, was to explain how organizations depend on outside resources in order to thrive. According to the theory, businesses must function in circumstances where resources are few and unpredictable (Pfeffer & Salancik, 1978). As a result, companies work to preserve control over key resources and reduce their reliance on outside sources (Celtekligil, 2020). Organizations strategically establish linkages and dependencies with resource providers, including funders, customers, suppliers, and governmental bodies, to accomplish this. Organizations want to get access to vital resources including financing, information, experience, and legitimacy by establishing these interorganizational linkages. By doing this, individuals can increase their chances of survival and success by lowering their susceptibility to outside influences and uncertainties (Katz, 2022).

The resource reliance theory has, however, come under significant fire over time. Its deterministic interpretation of organizational behavior, which contends that organizations only operate to reduce their reliance on outside resources, is a major point of criticism. Critics contend that organizations too have agency and may have motives that go beyond merely obtaining resources (Treacy, 2022). The theory as per Andrews and Hodgkinson (2022) has also come under fire for allegedly undervaluing the influence of internal elements on an organization's ability to respond to its environment, including organizational capacities and decision-making. According to detractors, an organization's internal dynamics and strategic decisions also have a big impact on how it interacts with outside resource suppliers and controls its dependence (Ozturk, 2021).

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Agency Theory

Moenga (2015) states that the agency theory founded Jensen and Meckling in 1976 holds that if there is a separation between management and ownership of a firm, then it is necessary to effectively manage the relationship between the agent (management) and principal (ownership). This would enhance the value creation of the firm Divergent views between agents and shareholders necessitates various strategies by the firm (Tekin & Polat, 2020). It will also result in the organization incurring agency costs in order to maintain a strong financial position. Agency theory proposes that the principal-agent affiliation is prone to conflicts of interest due to the differing goals and incentives of the agent and principal, and that contracts and monitoring mechanisms are necessary in aligning the parties' interests and guarantee agent action are in the principal best interests. It suggests that when there is information asymmetry, it becomes challenging to shareholders to obtain, assess and understand all the relevant information related to any unscrupulous actions taken by the managers (Vitolla, Raimo & Rubino, 2020).

The agency theory has received support from prominent authors such as Khoreva and Wechtler (2020) and Moloi and Marwala (2020) who argue that the theory serves a substantial role in explanation of various link in an organization setting. However, even though agency theory exists, it is not perfect. It overlooks several intricacies and difficulties that agents may encounter while executing the principal's duties and responsibilities. The agency paradigm suggests costly and ineffective control techniques. According to Cherian et al. (2020) actions made to protect shareholders' interests may hamper the execution of strategic choices, inhibit business operations, modify investment plans, and offer diminutive weight to the complaints of other stakeholders.

Contingency Theory

The 1960s and 1970s saw the development of contingency theory as a management theory in reaction to the shortcomings of classical management theories, which frequently advocated a one-size-fits-all strategy for organizational operations. The concept that there is no one optimum approach to manage an organization is highlighted by contingency theory, in contrast to prior theories that sought universal management principles (Mnif & Gafsi, 2020). It asserts that the best management techniques change depending on the unique conditions or unforeseen events a business faces. These contingencies take into account elements including the outside environment, the organization's size, technology, objectives, and task type (Csaszar & Ostler, 2020). According to the contingency theory, in order to function at their best and be most effective, organizations must modify their structures, procedures, and strategies to match these particular eventualities.

One of the critiques of contingency theory is that, because several contingencies frequently interact in complicated ways, it can be challenging to identify the precise aspects that are most important in determining an organization's performance. Finding distinct cause-and-effect links between contingency elements and organizational outcomes can be difficult due to this complexity (Shala, Prebreza & Ramosaj, 2021). Furthermore, some detractors claim that contingency theory can be overly descriptive and does not give managers clear prescriptive counsel. Although the theory emphasizes the necessity for flexibility and adaptability, it does not provide managers with a clear formula for figuring out which specific techniques would perform best in their particular circumstances (Shenkar & Ellis, 2022).

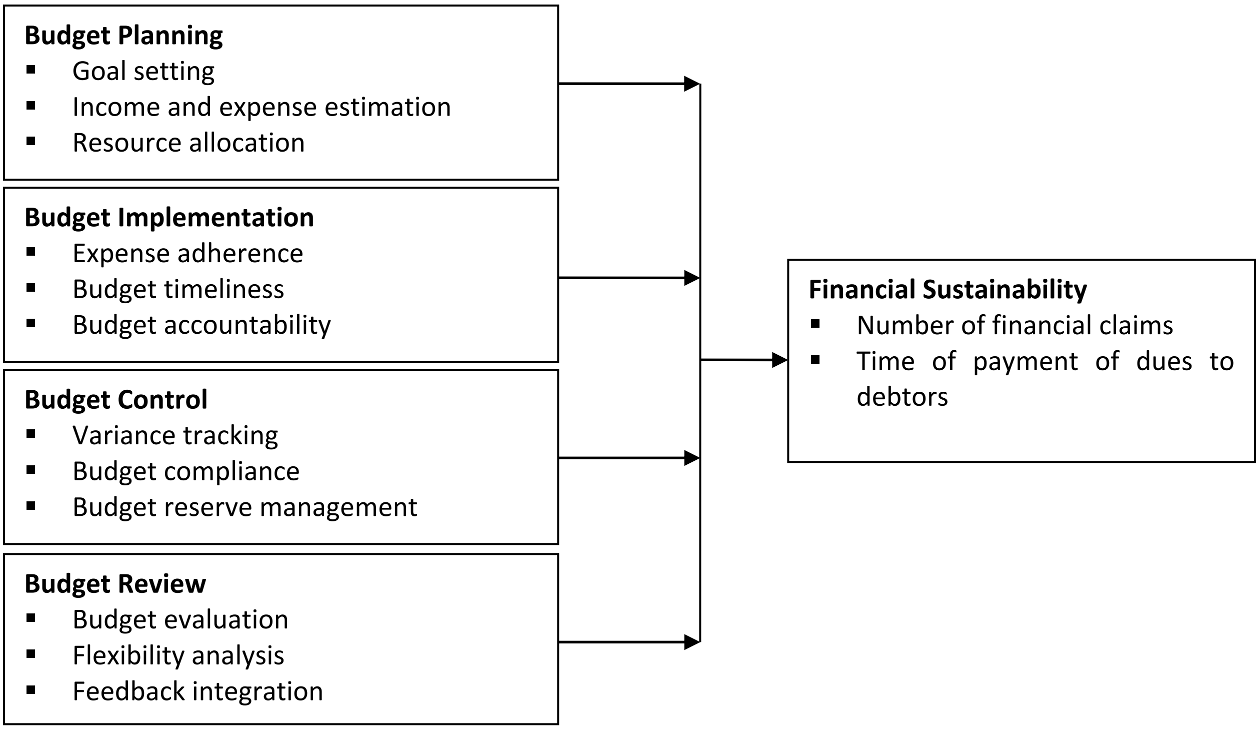
Institutional Theory

Many academics have developed and expanded institutional theory over time. However, for their contributions to the development of institutional theory, John W. Meyer and Brian Rowan deserve special note. They put out the idea in their well-known paper "Institutionalized Organizations: Formal Structure as Myth and Ceremony," which was released in 1977 (Meyer & Rowan, 1977).

According to institutional theory, organizations and social systems are impacted by the formal and informal rules, norms, and values present in broader institutional contexts (Glynn & D'Aunno, 2023). These institutional components have an impact on organizational behavior, practices, and structures.

Institutional theory has faced a lot of criticism throughout time. One criticism is that it favors the conforming actions of corporations at the expense of the opportunity for agency and innovation. According to critics, the concept could limit organizations' ability to challenge or change present institutional arrangements in an effort to create more meaningful and long-lasting results (Bento, Quattrone & Llewellyn, 2022). Furthermore, some scholars contend that institutional theory ignores the role of power imbalances in affecting organizational behavior and results, downplaying the significance of power disputes and struggles inside institutions (Risi et al., 2023). Furthermore, it has been asserted that the theory provides little guidance on how to deal with conflicting institutional pressures, leaving room for uncertainty in decision-making processes (Furusten, 2023). In spite of these objections, institutional theory is nevertheless important to scholarly discussions on sustainable development and provides a helpful framework for comprehending how institutions influence organizational behavior.

Conceptual Framework



Independent Variables **Dependent Variable**

Figure 1: Conceptual Framework

Empirical Literature

The effects of budget planning on the financial sustainability of small and medium-sized firms (SMEs) in South Korea are examined by Zhang and Wang (2022). The study combined survey data from 200 SMEs with key stakeholder interviews as part of a mixed-methods approach. To ascertain the connection between budget planning and financial sustainability, financial performance, budget planning procedures, and measures of financial sustainability were examined. Effective budget planning and financial sustainability among SMEs were shown to be positively and significantly correlated by the study. It was easier for businesses with more thorough budget planning procedures to control financial risks, distribute resources wisely, and achieve long-term financial stability. Although this study offered insightful information about the connection between budgeting and financial sustainability in South Korean SMEs, its generalizability was constrained by the very small sample size. Furthermore, the study did not take into account any confounding factors that may affect financial sustainability, such outside market circumstances or management strategies other than budget planning.

Maaldu (2019) set out to look at how budget planning affected the financial sustainability of non-profit organizations in the US. Over the course of five years, data from 100 nonprofit organizations were gathered using a longitudinal approach. Self-reported questionnaires were used to evaluate budget planning procedures, and longevity in service delivery and key financial performance metrics were used to assess financial sustainability. The study found a strong correlation between sound budgeting procedures and non-profit organizations' capacity to maintain their financial sustainability. Long-term budget planning, together with regular reviews and performance monitoring, increased an organization's financial stability and increased the likelihood that its services would be maintained over time. This study's longitudinal approach, which allowed for an evaluation of the temporal link between budget planning and financial sustainability, was a strength. The study may have benefitted from include objective financial data to support the findings as relying on self-reported survey data may create bias.

The goal of Kasymova (2019) on the effect of budget implementation on financial sustainability in industrialized economies used statistical methods to perform a 15-year longitudinal examination of budgetary data from five industrialized nations in order to find correlations and trends. In order to gather qualitative insights into the budget implementation process and its implications on financial sustainability, she also conducted interviews with important officials and experts in each nation. The study found a strong positive association between better financial sustainability in industrialized economies and successful budget implementation. Budget-efficient nations over time demonstrated improved fiscal restraint, decreased fiscal deficits, and higher economic stability. Even if the study's mixed-method methodology and longitudinal approach offer insightful information, its decision to solely examine developed economies could place restrictions on its findings. The results could not apply to new or developing economies that have distinct financial difficulties. Additionally, relying heavily on qualitative insights from interviews might lead to subjectivity and even bias in how the data are interpreted.

Zhang (2023) had the aim of investigating the impact of budget implementation on the financial sustainability of Asian nations. The study used a cross-sectional design to collect data throughout a given fiscal year from a number of Asian nations. It evaluated the connection between budget implementation and financial sustainability using financial performance indicators, budget implementation rates, and macroeconomic factors. The study discovered that budget implementation has a variable influence on financial sustainability across Asian nations. While some nations' financial sustainability improved as a result of efficient budget implementation, others had difficulty reaching their planned financial objectives, particularly when it came to managing deficits and public debt. The cross-sectional technique gives a quick overview of the connection between budget implementation and financial sustainability but may miss dynamic changes over time. The area is varied in terms of economic structures and policies, therefore a more thorough research of the variables influencing variances in financial sustainability among various Asian nations would have been beneficial to the study.

Investigating the effect of budget control measures on the financial sustainability of the United States was the aim of Ahrens, Ferry and Khalifa (2018).

Utilizing a quantitative methodology, the study examined historical budgetary information from the US government over a 20-year period. In order to evaluate their impact on financial sustainability indicators such as fiscal deficit, public debt, and economic growth, it concentrated on important budget control mechanisms such as expenditure caps, revenue objectives, and deficit reduction techniques. The study found a correlation between increased financial sustainability in the United States and efficient budget control strategies. Over time, better economic stability resulted from the management of deficits and the reduction of public debt made possible by the implementation of expenditure caps and revenue objectives. Although the quantitative analysis of the study offers insightful information, it may neglect the difficulties of budgetary decision-making and the potential linkages between various budget management techniques. Additionally, concentrating just on the American context restricts the findings' applicability to other nations with various institutional and economic structures.

Alimardanov *et al*. (2019) sought to investigate how financial sustainability in European Union (EU) nations is impacted by budget control. The study used a mixed-methods approach, combining qualitative interviews with government officials and financial specialists with quantitative analysis of budget data from many EU members. The interviews offered information about the implementation and effects of budget control measures, while the quantitative study concentrated on budgetary metrics including the deficit-to-GDP ratio and debt levels. The study discovered that financial sustainability results in EU nations were significantly influenced by budget management methods. Lower fiscal deficits and lower public debt loads were correlated with stricter budget management measures. The qualitative findings, however, highlighted the difficulties in upholding political agreement and enforcing fiscal constraints across EU member states. Although the study's richness is increased by the mixed-method approach, it could be difficult to reconcile and integrate data from both quantitative and qualitative sources.

Cuadrado and Bisogno (2022) set out to investigate how budget review procedures impact local governments' capacity to maintain a stable financial position in the United States. The goal of the study was to find any connections between budget review procedures and municipalities' long-term financial stability. Data on financial indicators, long-term fiscal results, and budget review procedures were gathered. To ascertain relationships between budget review procedures and financial sustainability indicators, statistical analyses were used in the study. According to the study, strict budget review procedures are positively associated with improved financial sustainability in local governments. Municipalities were shown to be better able to handle fiscal issues and sustain stable financial circumstances over time when they undertook extensive and systematic budget reviews. Although statistical analyses and a large sample size were used in the study's methodology, the research's focus was only on the United States, which would restrict its applicability to other countries. Furthermore, rather than proving causal links between budget review procedures and financial sustainability, the study mainly focused on correlations.

Jermias *et al*. (2023) set out to investigate how budget review procedures affect the financial sustainability of Chinese SOEs. The study's mixed-methods methodology included qualitative interviews with significant stakeholders in a few Chinese SOEs as well as quantitative examination of financial data. The quantitative research includes comparing businesses with various budget review methods and looking at financial performance indicators across a number of years. The qualitative interviews shed light on how decisions are made as well as how budget reviews affect SOEs' financial plans. The study discovered that Chinese SOEs tended to have stronger financial sustainability when their budget review processes were more

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open to participation and transparency. Participating stakeholders in the budget review enhanced strategic planning, increased responsibility, and efficiency, all of which had a favorable effect on the companies' long-term financial health. Given the opaque nature of some financial reporting methods, one possible constraint of this study is the difficulty in acquiring accurate and consistent financial data from Chinese SOEs.

In their study, Manes et al. (2023) sought to determine how budget review procedures affected the ability of Western European nations to maintain their financial stability. They gathered information on fiscal deficits, debt levels, budgetary procedures, and rates of economic expansion. To make inferences regarding the link between budget review and financial sustainability, the study used statistical techniques with case studies. According to the research, nations with thorough and open budget review procedures often had better fiscal results, such as smaller fiscal deficits and manageable debt levels. Effective budget reviews were also linked to better forecasts for economic development and higher investor confidence. The study's concentration on a small number of areas might make it less applicable to other parts of the world with diverse governmental systems and economic dynamics.

METHODOLOGY

To address the study's research problem, a descriptive cross-sectional research design was used. This design was suitable since it permitted the researcher to use quantitative data to determine the effect of budgeting practices on the financial sustainability of Non-profit organizations in Kisii County, Kenya using quantitative data. The study focused on the NGOs that had implemented projects as some had been inactive. The target respondent was the head of finance in each firm or their equivalent. Since the number of non-governmental organizations was small, the study used census method to study all the 73 non-profit organizations in Kisii County, Kenya.

The primary data was crucial in describing the real situation of the dependent and independent variables' relation. Questionnaire utilization is reasonable since it is a low-cost, reliable, and productive method of collecting data in a short period. Questions were designed to have closed ended questions. Closed-ended questions allowed the researcher to derive specific answers. The questionnaire had three sections namely; background information, budgeting practices, and financial sustainability.

The researcher reviewed the questionnaires, numbering them, and ensuring that they are adequate and complete. Based on their suitability, the questionnaires were sorted. Each question received a different code, which was then scored. To determine the strength of emergent themes, the data was subsequently reviewed and summarized using a computer. The mean, as a central tendency measure, as well as standard deviation, as a measure of dispersion were utilized in analyzing the descriptive elements of the data while correlation and regression was utilized to conduct analysis on existence of relationships between and among variables. The computer software Statistical Package for Social Sciences (SPSS) version 24 was utilized. The results of the study were presented using tables and graphs and interpreted. The regression model below was used:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where: Y = Financial sustainability

α =y regression intercept.

$\beta_1, \beta_2, \beta_3, \beta_4$= Model coefficients

X_1 = Budget planning

X_2= Budget implementation

X_3= Budget control

X_4= Budget review

ε =error term

RESULTS AND DISCUSSION

Descriptive Statistics

The researcher was able to synthesize and define the key traits, patterns, and distributions of the gathered data using descriptive statistics. Statistical summaries that transmitted crucial information about central tendency, variability, and the shape of the data distribution were supplied by measures like mean and standard deviation. Each variable under study's descriptive data are reported in the subheading as percentages, means, and standard deviations. The questionnaire was designed to have 5-point Likert scale measurement which is a measurement with five response categories ranging from “Strongly disagree” (1) to “Strongly agree” (5) which requires the respondents to indicate a degree of agreement or disagreement with each of a series of statements related to explanatory variables. The information is presented in the sub-sections below.

Descriptive Statistics on Budget Planning

The first objective of the study was to establish the effect of Budget Planning on financial sustainability of NGOs in Kisii County. The descriptive statistics for Budget Planning based on the responses received is shown in Table 1 below.

Table 1: Descriptive Statistics on Budget Planning

Statement	N	Mean	Std. Dev
The budget planning process in our organization is comprehensive and involves input from relevant stakeholders.	60	3.79	1.07
Budgeted financial goals align well with the organization's strategic objectives and mission.	60	3.97	1.12
The budget planning process allows for flexibility to adjust financial allocations based on changing circumstances.	60	3.72	1.03
The budget planning process is transparent, and budget-related information is communicated effectively to all relevant parties.	60	3.90	1.08
There is a clear timeline and accountability for the completion of the budget planning process.	60	3.93	1.19
The budget planning process involves a thorough assessment of financial risks and opportunities.	60	3.78	1.31
Mean		**3.85**	**0.99**

The descriptive findings presented in Table 1 indicate that the respondents generally agreed on several aspects related to Budget Planning within NGOs in Kisii County. Specifically, they agreed the budget planning process in their organization is comprehensive and involves input from relevant stakeholders, with a mean score of 3.79 (SD = 1.07). Furthermore, they concurred that budgeted financial goals align well with the organization's strategic objectives and mission, as evidenced by a mean score of 3.97 (SD = 1.12). Additionally, respondents indicated agreement that the budget planning process allows for flexibility to adjust financial allocations based on changing circumstances, with a mean score of 3.72 (SD = 1.03). However, regarding the statement that there is a clear timeline and accountability for the completion of the budget planning process, respondents expressed agreement, with mean scores of 3.93 (SD = 1.19) for both aspects. Overall, the weighted average of 3.85 (SD = 0.99) suggests a general consensus among respondents that proper Budget Planning procedures are in place within NGOs in Kisii County.

Descriptive Statistics on Budget Implementation

The second objective of the study was to establish the effect of Budget Implementation on financial sustainability of NGOs in Kisii County. The descriptive statistics for Budget Implementation based on the responses received is shown in Table 2 below.

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Table 2: Descriptive Statistics on Budget Implementation

Statement	N	Mean	Std. Dev
Budgeted funds are allocated efficiently to support planned activities and initiatives.	60	4.51	0.80
The organization effectively tracks and manages expenditures to ensure adherence to the approved budget.	60	4.58	0.58
The budget implementation process is well-coordinated, and roles and responsibilities are clearly defined.	60	4.27	1.15
The organization promptly addresses any deviations from the budget and takes corrective actions as needed.	60	4.34	0.76
The budget implementation process allows for reallocation of funds when unforeseen circumstances arise.	60	4.58	0.52
I am satisfied with the organization's budget implementation efforts.	60	4.43	0.87
Mean		**4.45**	**0.56**

The findings presented in Table 2 illustrate the respondents' consensus regarding various aspects of Budget Implementation within NGOs in Kisii County. They agreed that budgeted funds are allocated efficiently to support planned activities and initiatives, with a mean score of 4.51 (SD = 0.80). Additionally, respondents acknowledged that their organizations effectively track and manages expenditures to ensure adherence to the approved budget., as evidenced by a mean score of 4.58 (SD = 0.58). Moreover, they indicated agreement that their organizations promptly address any deviations from the budget and takes corrective actions as needed, reflected in a mean score of 4.34 (SD = 0.76). Furthermore, there was strong agreement regarding the statement that the budget implementation process allows for reallocation of funds when unforeseen circumstances arise, with a mean score of 4.58 (SD = 0.52). The weighted average of 4.45 (SD = 0.56) suggests an overall consensus among respondents regarding the adequacy of Budget Implementation procedures within NGOs in Kisii County.

Descriptive Statistics on Budget Control

The third objective of the study was to establish the effect of Budget Control on financial sustainability of NGOs in Kisii County. Budget control is the process of managing and regulating financial expenditures within a specified framework, typically a predetermined budget. It involves monitoring expenses, comparing them against budgeted amounts, and implementing corrective measures if necessary to ensure financial targets are met. This practice helps organizations optimize resource allocation, minimize overspending, and prioritize financial commitments in alignment with strategic objectives. Effective budget control fosters fiscal discipline, enhances decision-making, and promotes accountability across departments or individuals responsible for managing finances. The descriptive statistics for Budget Implementation based on the responses received is shown in Table 3 below.

Table 3: Descriptive Statistics on Budget Control

Statement	N	Mean	Std. Dev
The organization regularly monitors budget performance and compares it to actual financial outcomes.	60	4.22	0.93
The organization effectively controls expenses to avoid overspending and stay within budgeted limits.	60	4.13	0.94
The budget control measures in place promote accountability and responsible financial management.	60	3.88	1.02
There are clear protocols for seeking approval for deviations from the budget.	60	3.94	1.06
Budget control mechanisms help identify areas of potential cost savings and efficiency improvements.	60	4.03	1.01
I am confident that the organization's budget control measures safeguard financial sustainability.	60	4.16	0.99
Mean		**4.06**	**0.91**

The analysis of the study's third objective reveals significant agreement among respondents regarding various aspects of the financial framework within NGOs in Kisii County. Specifically, respondents overwhelmingly agree that their organization regularly monitors budget performance and compares it to actual financial outcomes, with an average rating of 4.22 out of 5 (SD = 0.93). Furthermore, respondents indicate strong concurrence that organization effectively controls expenses to avoid overspending and stay within budgeted limits, with an average rating of 4.13 (SD = 0.94).

Additionally, respondents expressed consensus that the budget control measures in place promote accountability and responsible financial management., scoring an average of 3.88 (SD = 1.02). Moreover, respondents agree that budget control mechanisms help identify areas of potential cost savings and efficiency improvements, with an average rating of 4.03 (SD = 1.01). Respondents agree that their organizations' budget control measures safeguard financial sustainability, with an average rating of 4.06 (SD = 0.91).

Descriptive Statistics on Budget Review

The fourth objective of the study was to establish the effect of Budget Review on financial sustainability of NGOs in Kisii County. The descriptive statistics for Budget Implementation based on the responses received is shown in Table 4 below.

Table 4: Descriptive Statistics on Budget Review

Statement	N	Mean	Std. Dev
The organization conducts regular and thorough reviews of budget performance and outcomes.	60	4.04	0.84
The budget review process includes input from relevant stakeholders to gain diverse perspectives.	60	4.27	0.76
Budget review meetings facilitate constructive discussions on financial performance and future adjustments.	60	4.00	0.90
The organization uses budget review outcomes to inform future budget planning and resource allocation.	60	4.13	0.83
The budget review process helps identify areas of success and areas for improvement in financial management.	60	4.43	0.78
I believe the budget review process contributes positively to the organization's financial sustainability.	60	4.18	0.68
Mean		**4.18**	**0.89**

The descriptive findings based on objective four indicate a consensus among respondents regarding several aspects related to Budget Review practices within NGOs in Kisii County. Firstly, respondents agree that their organizations conduct regular and thorough reviews of budget performance and outcomes, with an average rating of 4.04 (SD = 0.84). Additionally, respondents indicate agreement that the budget review process includes input from relevant stakeholders to gain diverse perspectives, with an average rating of 4.27 (SD = 0.76). Furthermore, respondents expressed consensus that budget review meetings facilitate constructive discussions on financial performance and future adjustments, scoring an average of 4.00 (SD = 0.90).

Moreover, respondents agree that their organizations use budget review outcomes to inform future budget planning and resource allocation, with an average rating of 4.13 (SD = 0.83). Additionally, respondents agree that the budget review process helps identify areas of success and areas for improvement in financial management, with an average rating of 4.43 (SD = 0.78). Lastly, respondents agree that they believe the budget review process contributes positively to the organization's financial sustainability, with an average rating of 4.18 (SD = 0.68). Overall, the weighted average of 4.18 (SD = 0.89) suggests a general consensus among respondents regarding the presence of proper Budget Review practices within NGOs in Kisii County, reflecting a commitment to transparency, risk management, and financial sustainability.

Descriptive Statistics of Financial Sustainability

The study's dependent variable was financial sustainability. The descriptive results are presented in Table 5.

Table 5: Descriptive Statistics of Financial Sustainability

Statement	N	Mean	Std. Dev
Our organization has a diversified funding base, including multiple sources of revenue (e.g., grants, donations, earned income, investments).	60	3.70	1.61
Financial planning in our organization considers both short-term and long-term financial goals for sustainability.	60	3.94	1.21
Our organization maintains adequate reserves to handle unforeseen financial challenges and emergencies.	60	2.73	0.87
Financial decisions in our organization are aligned with the organization's mission and strategic objectives.	60	2.72	0.81
Our organization regularly evaluates and adjusts its financial strategies to adapt to changing economic conditions.	60	3.04	0.95
We have effective financial management practices in place to control expenses and minimize financial risks.	60	3.14	0.82
Mean		**3.04**	**0.91**

The findings presented in Table 5 indicate a range of responses from the respondents regarding various operational aspects within NGOs in Kisii County. Firstly, respondents generally agreed that their organizations have diversified funding bases, including multiple sources of revenue (e.g., grants, donations, earned income, investments), with an average score of 3.70 (SD = 1.61). Additionally, respondents indicated financial planning in their organizations considered both short-term and long-term financial goals for sustainability, scoring an average of 3.94 (SD = 1.21). However, respondents were indifferent regarding if financial decisions in their organizations were aligned with their organizations' mission and strategic objectives, which may indicate uncertainty about the efficiency of organizational processes, scoring an average of 2.72 (SD = 0.81).

Moreover, respondents expressed indifference regarding their organizations regularly evaluating and adjusting their financial strategies to adapt to changing economic conditions, with an average score of 3.04 (SD = 0.95). Furthermore, respondents agreed that their NGOs have effective financial management practices in place to control expenses and minimize financial risks, scoring an average of 3.14 (SD = 0.82). Lastly, respondents were indifferent regarding their organization maintaining adequate reserves to handle unforeseen financial challenges and emergencies, with an average score of 2.73 (SD = 0.87). Overall, the weighted average mean of 3.04 (SD=0.91) indicates that respondents were generally indifferent regarding the effectiveness of financial sustainability measures within NGOs in Kisii County. This suggests that there may be differing perceptions among respondents regarding the adequacy of existing financial sustainability strategies.

Correlation Analysis

Correlation analysis, as outlined by Sekaran (2000), serves to elucidate the direction, strength, and significance of relationships among variables within a study. In order to ascertain the presence of relationships between the variables, a correlation analysis was undertaken, as described by Sekaran and Bougie (2010). This analysis reveals the directional nature, magnitude, and statistical significance of associations among the variables under investigation. Specifically, a positive correlation implies that as one variable increases, so does the other, while a negative correlation suggests that an increase in one variable corresponds to a decrease in the other, as articulated by Sekaran (2003).

The model that was to be fitted is as follows:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon \quad \ldots\ldots\ldots\ldots \quad 1$$

Where the variables are defined as:

Y– Financial Sustainability

β_0 – The constant term

$\beta_1, \beta_2, \beta_3$ and β_4 are the coefficients to be estimated

X_1 – Budget Planning

X_2 – Budget Implementation

X_3 – Budget Control

X_4 – Budget Review

ε - Error term.

Table 6 shows results of the correlation analysis.

Table 6: Correlation between Study Variables

	Y	*X₁*	*X₂*	*X₃*	*X₄*
Y	1				
X₁	.741***	1			
X₂	.634***	.136	1		
X₃	.733***	.124	.056	1	
X₄	.612***	.032	.001	.065	1

Note: * p < 0.10, ** p < 0.05, *** p < 0.01

From the findings presented in Table 6, several conclusions can be drawn regarding the relationship between various factors and financial sustainability within NGOs in Kisii County. Firstly, Budget Planning (X_1) exhibits a significant and strong positive correlation with financial sustainability, indicated by a correlation coefficient of 0.741, which is statistically significant ($p < 0.01$). This suggests a robust and significant positive connection between Budget Planning efforts and the financial sustainability of NGOs in the area. Secondly, Budget Implementation (X_2) is also positively and significantly associated with financial sustainability, with a correlation coefficient of 0.634 ($p < 0.01$), indicating a moderate yet significant positive relationship between the two variables. Additionally, Budget Control (X_3)

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demonstrates a strong positive correlation with financial sustainability, supported by a significant correlation coefficient of 0.733 ($p < 0.01$), highlighting a substantial positive association between Budget Control activities and financial sustainability. Lastly, Budget Review (X_4) is found to have a significant positive correlation (correlation coefficient of 0.612, $p < 0.01$) with financial sustainability, suggesting a modest yet meaningful association between Budget Review efforts and financial sustainability within NGOs in Kisii County.

Regression Analysis

Regression analysis is a statistical method that examines the relationship between a dependent variable and one or more independent variables, also known as explanatory variables. By analyzing this relationship, a regression model can determine whether changes in the dependent variable are linked to changes in one or more of the explanatory variables. The results of a regression analysis, derived from empirical data, are presented in detailed sub-sections below. Through regression, it is possible to assess the magnitude and direction of the relationships between variables, providing insights into the factors that influence the outcome of interest.

Table 7: Model Summary

Model	R	R Square	Adjusted R Square	Sig
1	.852[a]	.725	.708	.000

The model summary table above indicates a positive and strong overall Regression between the use of Budgeting Practices and financial sustainability within NGOs in Kisii County, as evidenced by the model correlation coefficient of 0.852. The model's ability to predict financial sustainability is demonstrated by the coefficient of determination (R square) value of 0.725, indicating that 72.5% of the variability in financial sustainability can be explained by managing Budgeting Practices, with the remaining 27.5% attributed to other unaccounted factors. Moreover, the significance statistic ($p = 0.000$) indicates that the model is statistically significant, further supporting its reliability and relevance in predicting financial sustainability within the context of NGOs in Kisii County.

Table 8 below on analysis of variance was also extracted to show the general relationship among the variables.

Table 8: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	22.416	4	5.604	36.321	.000[a]
	Residual	8.486	55	.154		
	Total	30.903	59			

a. Predictors: (Constant), X_1, X_2, X_3, X_4
b. Dependent Variable: Y

The analysis of variance (ANOVA) presented in Table 8 demonstrates the significance of the model predicting financial sustainability within NGOs in Kisii County using Budgeting Practices. This significance is indicated by the calculated F-value of 36.321, which is statistically significant. Thus, it can be inferred that the model serves as a meaningful and reliable predictor of financial sustainability within NGOs in Kisii County.

Table 9: Regression Coefficients

Model	Unstandardized Coefficients Beta	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t-stat	Sig.
: (Constant)	0.677	0.431		1.571	.121
X_1	0.142	0.093	0.159	1.523	.014
X_2	0.340	0.152	0.273	2.239	.029
X_3	0.235	0.100	0.309	2.352	.017
X_4	0.305	0.092	0.412	3.3322	.001

Dependent Variable: ***Y***

The data presented in Table 9 offers valuable insights into various factors impacting financial sustainability within organizations. The constant term, with a value of 0.667 in the regression equation, signifies the baseline level of financial sustainability present in the organization. Budget Planning, as indicated by its coefficient (β = 0.142) and p-value (p = 0.014), shows a positive significant effect on financial sustainability. This suggests that Budget Planning is a statistically significantly predictor of financial sustainability on its own.

On the other hand, Budget Implementation emerges as a significant positive influencer of financial sustainability, with a coefficient (β = 0.340) and a significant p-value (p = 0.029). This implies that investing resources in Budget Implementation efforts tends to bolster financial sustainability within NGOs. Similarly, Budget Control demonstrates a significant positive effect on financial sustainability, as evidenced by its coefficient (β = 0.235) and p-value (p = 0.017). This suggests that budgetary control initiatives play a crucial role in enhancing the financial stability of NGOs. Moreover, Budget Review emerges as another significant positive factor affecting financial sustainability, with a coefficient (β = 0.305) and a highly significant p-value (p = 0.001). This underscores the importance of thorough Budget Review processes in bolstering the financial health and sustainability of organizations.

The fitted model is therefore:

$$Y = 0.667 + 0.142X_1 + 0.340X_2 + 0.235\,X_3 + 0.305\,X_4$$

Discussion of Results

Budget Planning and Financial sustainability

The correlation analysis conducted as part of the first objective, which aimed to examine the effect of Budget Planning on financial sustainability within NGOs in Kisii County, reveals a strong and positive relationship. Specifically, the correlation coefficient of 0.741, accompanied by a statistically significant p-value (p < 0.01), underscores a robust association between Budget Planning endeavors and the financial sustainability of NGOs in the region. This indicates that active Budget Planning initiatives contribute significantly to enhancing the financial stability and longevity of NGOs operating within Kisii County. Regression results show that Budget Planning, as indicated by its coefficient (β = 0.142) and p-value (p = 0.014), has a positive significant effect on financial sustainability. This suggests Budget Planning significantly predicts up to 14.2% of financial sustainability on its own, while holding other factors constant.

The results agree with those by Zhang and Wang (2022) who studied the effects of budget planning on the financial sustainability of small and medium-sized firms (SMEs) in South Korea. The study combined survey data from 200 SMEs with key stakeholder interviews as part of a mixed-methods approach. Although this study offered insightful information about the connection between budgeting and financial sustainability in South Korean SMEs, its generalizability was constrained by the very small sample size. The findings are also in tandem with those by Maaldu (2019) who set out to look at how budget planning affected the financial sustainability of non-profit organizations in the US. The study found a strong correlation between sound budgeting procedures and non-profit organizations' capacity to maintain their financial sustainability. Additionally, Chebet and Ombaba (2019) who investigated how budget planning affected the financial sustainability of dairy cooperatives society in Kenya using a qualitative research methodology reported similar results.

Budget Implementation and Financial Sustainability

The second objective aimed to assess the impact of Budget Implementation on the financial sustainability of NGOs in Kisii County. The correlation analysis revealed a noteworthy positive association, with a coefficient of 0.634 and a highly significant p-value ($p < 0.01$), indicating a substantial link between Budget Implementation efforts and financial sustainability. Moreover, the regression analysis confirmed this relationship, showing a significant and positive effect of Budget Implementation on financial sustainability, with a coefficient (β) of 0.340 and a p-value of 0.029. This suggests that for every unit increase in Budget Implementation, there's a corresponding 34% increase in financial sustainability, holding all other factors constant. These findings underscore the crucial role of effective Budget Implementation practices in bolstering the financial health and longevity of NGOs in Kisii County.

The results above are in line with those by Kasymova (2019) who studied the effect of budget implementation on financial sustainability in industrialized economies used statistical methods to perform a 15-year longitudinal examination of budgetary data from five industrialized nations in order to find correlations and trends. The results also agree with those by Zhang (2023) whose aim was investigating the impact of budget implementation on the financial sustainability of Asian nations. The study used a cross-sectional design to collect data throughout a given fiscal year from a number of Asian nations. Additionally, the results align with those by Kuznetsov and Morozov (2022) whose objective was to evaluate the impact of budget implementation on the ability of Latin American nations to maintain their financial stability. Elsewhere, Ejiogu *et al.* (2020) who set out to look at how budget implementation affected the financial sustainability of African economies using a mixed-methods approach, reported that financial sustainability results in African nations were highly impacted by budget implementation. Strong budget implementation procedures were associated with lower fiscal deficits, enhanced economic stability, and better public debt management.

Budget Control and Financial sustainability

The correlation analysis conducted in this study demonstrates a robust positive correlation between Budget Control and financial sustainability within NGOs in Kisii County, with a noteworthy correlation coefficient of 0.733 and a highly significant p-value ($p < 0.01$). This indicates a strong association between effective Budget Control management and financial sustainability. Additionally, the regression analysis aimed at determining the impact of Budget Control management on financial sustainability revealed a significant positive effect, with a coefficient (β) of 0.235 and a p-value of 0.017. This suggests that when controlling for other factors, a unit increase in Budget Control management results in a significant 23.5% increase in financial sustainability within NGOs. These findings underscore the critical role of adept Budget Control management in fostering financial stability and longevity within NGOs in Kisii County.

Results of this objective align with those by Alimardanov *et al*. (2019) who sought to investigate how financial sustainability in European Union (EU) nations is impacted by budget control. The study used a mixed-methods approach, combining qualitative interviews with government officials and financial specialists with quantitative analysis of budget data from many EU members. The study discovered that financial sustainability results in EU nations were significantly influenced by budget management methods. The results also agree with those by Islam (2023) who sought to investigate how budget control affects the viability of East Asian nations' financial systems. The study used a case study methodology and chose a number of East Asian nations with various levels of budget control adoption. Budget control policies were found to have conflicting effects on the financial sustainability of East Asian countries, according to the case study research. The results are also in agreement with those by Van *et al*. (2020) who sought to analyze the impact of budget management on financial sustainability in a collection of developing economies from various continents. Budget management was found to have a significant impact on financial sustainability results in developing economies, according to the comparison research. Effective budget control methods improved fiscal management, decreased public debt, and boosted economic toughness in those nations.

Budget Review and Financial Sustainability

The fourth objective of the study aimed to investigate the impact of Budget Review on the financial sustainability of NGOs in Kisii County. Correlation analysis revealed a statistically significant positive association between Budget Review and financial sustainability, with a coefficient of 0.612 and a highly significant p-value ($p < 0.01$), indicating a weak yet positive relationship between these variables. Furthermore, regression results indicated a significant positive effect of Budget Review on financial sustainability, with a coefficient (β) of 0.305 and a highly significant p-value of 0.001. This implies that for every unit increase in Budget Review, there is a substantial 30.5% increase in financial sustainability when other factors remain constant.

Results agree with those by Cuadrado and Bisogno (2022) who set out to investigate how budget review procedures impact local governments' capacity to maintain a stable financial position in the United States. According to the study, strict budget review procedures are positively associated with improved financial sustainability in local governments. Jermias *et al*. (2023) who investigated how budget review procedures affect the financial sustainability of Chinese SOEs also reported similar results. The study's mixed-methods methodology included qualitative interviews with significant stakeholders in a few Chinese SOEs as well as quantitative examination of financial data. In their study, Manes *et al*. (2023) who sought to determine how budget review procedures affected the ability of Western European nations to maintain their financial stability reported that nations with thorough and open budget review procedures often had better fiscal results, such as smaller fiscal deficits and manageable debt levels. Effective budget reviews were also linked to better forecasts for economic development and higher investor confidence. The study's concentration on a small number of areas might make it less applicable to other parts of the world with diverse governmental systems and economic dynamics.

CONCLUSIONS AND RECOMMENDATIONS

The correlation analysis revealed a strong positive correlation between Budget Planning and financial sustainability within NGOs in Kisii County. Regression analysis indicated that Budget Planning has a significant positive effect on financial sustainability. These findings underscore the multifaceted nature of factors influencing financial sustainability within NGOs. The organizations should prioritize robust Budget Planning practices while also recognizing the potential value of Budget Planning in enhancing overall financial management. Further research into the specific mechanisms underlying these relationships could provide deeper insights for optimizing financial sustainability strategies within the NGO sector in Kisii County.

The findings from the second objective underscored a significant positive association between Budget Implementation and financial sustainability within NGOs in Kisii County. The correlation analysis highlighted a substantial link between Budget Implementation efforts and financial sustainability, indicating their importance in organizational resilience. Furthermore, regression analysis confirmed this relationship, revealing a significant positive effect of Budget Implementation on financial sustainability. These results suggest that allocating resources to Budget Implementation initiatives can effectively enhance financial sustainability within NGOs in Kisii County.

The regression analysis conducted for the third objective unveiled a significant positive effect of Budget Control on financial sustainability. This suggests that, when controlling for other factors, an increase in Budget Control leads to a notable enhancement in financial sustainability within organizations. Consequently, it is inferred that Budget Control plays a significantly crucial role in bolstering financial sustainability in the counties. These findings highlight the importance of effective Budget Control practices in navigating financial challenges, minimizing financial risks, and ultimately safeguarding the financial health of organizations. Thus, integrating robust Budget Control strategies into organizational frameworks emerges as a key factor in fostering long-term financial resilience and sustainability.

The correlation analysis conducted for the fourth objective unveiled a statistically significant positive association between Budget Review and financial sustainability. Moreover, regression analysis reinforced this relationship by demonstrating that Budget Review had a positive and significant effect on financial sustainability. These findings underscore the critical role of thorough Budget Review processes in enhancing the financial health and sustainability of NGOs in Kisii County. By conducting comprehensive Budget Review assessments, organizations can identify potential financial risks, evaluate investment opportunities, and ensure compliance with regulatory requirements, thereby safeguarding their financial sustainability in the long run. Implementing robust Budget Review protocols emerges as a fundamental aspect of organizational governance, contributing to financial resilience and mitigating risks effectively.

The findings highlight the complexity of factors influencing financial sustainability in NGOs in Kisii County. While correlation analysis demonstrated a strong positive link between Budget Planning and financial sustainability, regression analysis revealed an insignificant positive effect of Budget Planning. Despite the latter, Budget Planning shouldn't be disregarded, as it might hold importance within organizational contexts. NGOs should prioritize robust Budget Planning practices while acknowledging the potential value of Budget Planning in overall financial management. Further research into the mechanisms driving these relationships is recommended to refine financial sustainability strategies within the NGO sector in Kisii County. Policymakers could leverage these insights to develop targeted interventions supporting NGOs in enhancing their financial resilience. Theoretical frameworks should incorporate a holistic understanding of financial sustainability, encompassing diverse factors like Budget Control and Budget Planning. Practically, NGOs should integrate comprehensive financial management approaches that balance proactive fraud detection with asset management strategies to ensure long-term sustainability.

Based on the analysis from the second objective that Budget Implementation affects financial sustainability positively and significantly and the conclusion that Budget Implementation is a significant contributor to financial sustainability in organizations, it is recommended that Budget Implementation efforts are strengthened by instituting stricter controls in order for financial sustainability in NGOs in Kisii County is improved.

The regression analysis undertaken to address the third objective revealed a substantial positive impact of Budget Control on financial sustainability. This implies that, when adjusting for other variables, an escalation in Budget Control leads to a noteworthy improvement in financial sustainability within organizations. Consequently, it is deduced that Budget Control plays a pivotal role in enhancing financial sustainability in the counties. These results underscore the significance of implementing effective Budget Control practices to address financial challenges, mitigate financial risks, and ensure the overall financial well-being of organizations. Therefore, the integration of robust Budget Control strategies into organizational frameworks emerges as a critical factor in cultivating long-term financial resilience and sustainability.

The correlation analysis conducted for the fourth objective uncovered a statistically significant positive correlation between Budget Review and financial sustainability. Furthermore, regression analysis corroborated this relationship by illustrating that Budget Review exerted a positive and significant effect on financial sustainability. These findings underscore the pivotal role of thorough Budget Review processes in fortifying the financial health and sustainability of NGOs in Kisii County. By undertaking comprehensive Budget Review assessments, organizations can effectively pinpoint potential financial risks, evaluate investment opportunities, and ensure adherence to regulatory standards, thereby safeguarding their financial sustainability over time. The implementation of robust Budget Review protocols emerges as a foundational element of organizational governance, contributing to financial resilience and adeptly mitigating risks

Suggestions for Further Research

This study was conducted under several limitations and assumptions. Based on these limitations and assumptions, the following suggestions for further are proposed.

This study focused on only one organization, NGOs in Kisii County. A study should be conducted to incorporate NGOs from other counties and from other regions. Moreover, a study could be conducted that incorporates other organizations that are not NGOs.

Future researchers should conduct qualitative studies such as interviews or focus groups with stakeholders within NGOs in Kisii County to gain insights into their perceptions and experiences regarding the effectiveness of Budgeting Practices in enhancing financial sustainability. This approach can provide nuanced understanding and capture perspectives that quantitative analyses may miss.

It is also suggested that future studies undertake longitudinal studies to track the long-term effects of Budgeting Practices on the financial sustainability of NGOs. By observing changes over time, researchers can better assess the sustainability of impacts and identify any evolving trends or patterns.

Future studies can be conducted to compare the effectiveness of Budgeting Practices across different regions or countries with varying socio-economic contexts. This comparative approach can reveal context-specific factors influencing the implementation and outcomes of forensic accounting practices.

Future studies can also be conducted to extend research beyond NGOs to include other sectors such as private businesses, government agencies, or profit making organizations operating in Kisii County. Comparing the application and effectiveness of Budgeting Practices across sectors can yield valuable insights applicable to a broader range of organizations.

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