Effect of Financial Planning on Project Deliverables of Non Governmental Organizations in Kenya: A Case of Pastoralist Integrated Support Programme (PISP), Marsabit Sub County, Marsabit County

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Abstract- Non-governmental organisations have since the colonial period played a major role in socio economic development in Kenya through designing and implementing projects as well as the actual provision of basic needs services to the disadvantaged groups in rural and urban areas. The main objective of this study was to determine the effect of financial planning on project deliverables of Non-Governmental Organizations. The study aimed at analyzing the financial planning that will lead to a better project deliverable of NGOs. The study focused on the aspects of financial planning which include financial objectives, financial resources, financial efficiency and financial standards and their effect on the project deliverable of NGOs. The scope of the study was Pastoralist Integrated Support Programme (PISP), Marsabit town, Marsabit Sub- County, Marsabit County. The literature review highlighted the variables used in this study and review what other people have said about them. The researcher reviewed literature of past studies which was related to and consistent with the objectives of this study. Important theoretical and practical problems are brought out, relevant literature on the aspects pertaining to the effect of financial planning on the project deliverable of non-governmental organizations in Kenya. A total of 40 employees were interviewed in the office. The researcher used census method since the target population was less than one hundred persons. Data was collected using Questionnaires which were both closed ended and open ended, where descriptive statistics was utilized to organize and describe the data while excel computer package was used to present the analysis in tables, pie charts and bar graphs. The research found out that the effect of financial objectives to project deliverables was good. The organization was able to achieve its set project targets due to the use of financial planning. The study also found out that financial resources affected the project deliverables in PISP, as adequate financial planning resources resulted to achievement of project set targets. The study further found out that financial efficiency affected the project deliverables in PISP. An efficient financial system improved the performance of projects which consequently led to timely achievement of set project targets. Lastly, the research found out that financial standards influenced the performance of projects. The financial planning policies and procedures set by PISP determined how accurate the financial reports submitted to the donors were; they also ensured that the project funds were well utilized per each specific project deliverable. The study recommends for management to ensure financial objectives are set to determine the amount that is needed or desired, the time frame in which it must be made and how the money will be spent. It was also recommended that management needs to ensure adequate, suitable and appropriate financial resources are available to ensure achievement of project deliverables. Further, management should ensure financial planning is in place for optimized utilization of scarce resources. Further studies were recommended on the individual aspects of financial planning that is financial objectives, financial resources, financial efficiency and financial standards. Also, a study could also be carried out focusing on factors influencing formulation of financial plans or even challenges faced during formulation of financial plans in Non-Governmental Organizations in Kenya.

Index Terms- Financial planning, Financial Resources, Financial Efficiency, Financial Standards

I. INTRODUCTION

Planning is a process which is concerned with deciding in advance what, when, why, how, and who shall do the work. Generally, planning involves establishment of organizational objectives and policies; identification of alternative courses of action and programs and selecting the best course of action and program. Financial planning is the task of determining how an organization will afford to achieve its strategic goals and objectives.

The financial planning activity involves assessing the business environment; confirming the business vision and objectives; identifying the types of resources needed to achieve these objectives; quantifying the amount of resource (labor, equipment, materials); calculating the total cost of each type of resource; summarizing the costs to create a budget; and identify any risks and issues with the budget set (Koteen, 1997). Non-Governmental Organizations are facing more challenging times, thus executives are tasked with more strategic responsibilities of financial planning in the face of increasing costs of offering public services and falling tax revenues thus increasing the difficulty and importance of financial planning.

Financial planning offers important tools that help Non-Governmental Organizations determine their current conditions and plan for its future. Accounting and financial analysis aid in making sure that an organization has what it needs to operate successfully. Budgeting allows an administrator to plan, make proper choices, and decide on the mission and direction of an organization. However, while plans and strategies are often stated in a number of elements, resource allocation has always remained the principal means of implementing them. Consequently, an organization's budget, which embodies its resource allocation decisions, has become the only visible manifestation of its strategic planning process. Performing financial planning is critical to the success of any organization. It provides the business plan with rigor, by confirming that the objectives set are achievable from a financial point of view. It also helps the CEO to set financial targets for the organization, and reward staff for meeting objectives within the budget set.

In Kenya, NGOs began as self-help groups in the years of 1960s when the first president of Kenya began to encourage grassroots growth through coming together in spirit of what was referred to as 'harambee' The harambee spirit kept most of the self-help groups growing (Wanjohi 2010). In the past two decades the governments throughout the developing world have seen an explosion in the number of foreign and local non-governmental actors providing social services in their territory.

According to Gathara (2013), 53% of health care is delivered through private sector which are public based organisations or faith based organisations. Consequently, the influence of NGOs in augmenting the work done by the government and international is gaining recognition by the day. Their roles are more prominent in the traditionally marginalized areas like Arid and Semi-Arid Lands (ASALs) where basic government services are not readily accessible (Poverty Eradication Network, 2002). Essentially, their mission is to provide interventions to local communities through carefully designed projects meant to empower them so as to ensure implementation of the initiative. This entails a lot of financial planning at different levels so as to ensure that available financial resources are utilized in such a way to ensure maximum efficacy.

Traditionally, planning efforts in the Non-Governmental Organization sector have often ended unimplemented, meaning that planning documents often end up on the 'dusty shelves' as their contents is rarely implemented. There seems to be a new spirited enthusiasm in the private sector towards financial planning. In this regard, the PISP introduced a result-oriented budgetary system in its attempt to finance 'outputs' instead of inputs and process. These efforts are later consolidated in a budgetary reform called Medium Term Expenditure Framework (MTEF) initiated by donors and the Treasury.

The aim is not only to control expenditure but to link public resource allocation (Budget) to public service outcomes and to improve public sector efficiency including the use of public resources (GOK, 2003). Proper financial management gives organizations the tools to analyze areas of deficit and growth. With scarcity looming over Non-Governmental Organizations, the ability to develop new resources and generate better products becomes a vital tool for administrators. Proper financial management offers the tools to critically analyze the organization's status and potential resources. This management tool allows the administrator to pursue the growth of the organization. After all, growth in resources means growth in services and goods.

Despite the necessity to determine whether the financial planning adopted in the Non-Governmental Organizations is effectively delivering the required results so as to improve on it, to the best of researcher's knowledge there is no information available leading to the consistent application of the same over time. Hence the main purpose of this research study is to investigate the effect of financial planning on the project deliverables in Non-Governmental Organizations.

The main purpose of the study was to determine the effect of financial planning on the project deliverables of Non-Governmental Organizations with specific focus on PISP. The specific objectives were: to determine how financial objectives affect the project deliverables of NGOs in Marsabit Town, Marsabit Sub County, Marsabit County, to assess how financial resources affect the project deliverables of NGOs in Marsabit Town, Marsabit Sub County, Marsabit County, to establish how financial efficiency affect the project deliverables of NGOs in Marsabit Town, Marsabit Sub County, Marsabit County and to examine how financial standards affect the project deliverables of NGOs in Marsabit Town, Marsabit Sub County, Marsabit County.

II. LITERATURE REVIEW

Financial objectives are needs or goals for the future. Financial objectives determine the amount that is needed or desired, the time frame in which it must be made and how the money will be spent. Goals should direct the operations and resources of the organization's operations in key external and internal areas. Goals are critical because they provide the important element of accountability to the financial planning process (Stillman, 2000). Financial Planning helps to focus the attention of the CEOs and subordinates towards organizational objectives. It predetermines the objectives and defines line of action to complete the work.

Management of any organization is formed to attain defined objectives. Thus, good management is the management by objectives. Financial planning serves as the blue print of the course of action and eliminates the unnecessary and useless activities. It focuses on priorities and facilitates to the management to make right decision at the right time (Willoughby and Julia, 2001). Financial Strategies are specific allocations of time, money and effort, and are designed to achieve the various goals and objectives. The strategies selected must reflect the priorities of the utility as expressed by the mission, goals and objectives. Unfortunately, virtually every utility organization is faced with the reality of limited resources, and therefore, the strategies must reflect carefully considered choices, and should be evaluated in terms of resources required, results expected, probability of successful implementation and potential impact on overall performance (Finkler, 2005). Financial Planning ensures commitment of the management towards organizational goal. It set the feelings of responsibility of managers. It facilitates to convert individual goals to organizational objectives. It clearly defines authority and responsibility of each and every authority. No one can avoid or divert his responsibility to others.

A financial planning, is generally characterized by the following common process patterns identification of basic goals, objectives and directing as well as harmonizing all activities in all functional areas in line with these objectives; critical examination of the scenario and predicting of probable program outcome; costs which includes a consideration of all types of costs; direct, indirect, capital and non- capital costs as well as support costs which would include employee bonus, fringe benefits and other monetary incentives. Alternatives which consider all plausible alternatives, strategies for achieving them, and the probable consequences of each alternative program in terms of costs-benefits ratio relative to identified objectives (Hendrick, 2000).

An essential purpose of financial planning is to assess the financial resources that will be required to implement the programmes and activities to achieve the goals and targets of the plan, to ensure that funding is available as and when needed, and to monitor the efficient use of resources and of progress towards reaching the goals and targets (Vinzant and Janet, 1996). The processes employed in the allocation of resources serve as a means for dealing with complex, competing objectives in a manner that ensures organizational success and growth. An important question, then, is how does an organization rationally allocate its resources in order to achieve its goals? In order to make resource allocation decisions, in what at least appears to be a rational way, organizations generally do the following: Identify/design alternatives (alternative R&D projects, or operational plans for alternative levels of funding for each of the organization's departments). Identify and structure the organization's goals into objectives, sub-objectives, sub-sub-objectives, and so on. Measure how well each alternative contributes to each of the lowest level sub-objectives .Find the best combination of alternatives, subject to environmental and organizational constraints.

Of all the procedures used to make organizational decisions, those employed in the allocation of resources are perhaps the most powerful; Whether in the private or the Public sectors, the processes used for the allocation of resources deal comprehensively with the organization as a whole, its component units, and the Organizations and people it services. Plans and strategies are often stated in a number of elements, resource allocation has always remained the principal means of implementing them. Consequently, an organization's budget, which embodies its resource allocation decisions, has become the only visible manifestation of its strategic planning process (Toft, 2000).

The budget embodies a plan articulated in financial terms or allocation of funds for execution of projects and programs of government within a given time frame in order to achieve pre-determined program objective(s). Improved budgeting system is the program-based budget which relates funds allocation to activities and places emphasis on costs-objectives. Performance budgets on the other hand, also program-based, tend to emphasize costs-benefits. A performance budget will generally indicate standards for measuring performance and projected program impact.

One of the parts of financial planning is to select a best course of action by evaluating many alternatives. While selecting a course of action, the benefit of the organization is taken into consideration. It also provides guidelines and procedures to complete the work. It also helps for the optimum utilization of resources, avoiding wasteful efforts and money and minimizing wastage. Besides, it also avoids the concept of trial and error or hit and misses and defines a clear line of action.

The selection of best cause of action, definition of clear line of action and optimum utilization of resources contributes to improve overall working efficiency of the organization. Alignment is essential to operational efficiency and effectiveness at the organization level and is the key to advancing other organizational issues such as transparency, compliance and risk mitigation. From the top three benefits listed above, you get a clear picture that private entities are focused on elements of operations — resources, cross-departmental programs and budgeting (Poister and Gregory, 1994).

Financial Planning encourages innovative thought and creative action among the CEOs. An effective financial planning encourages man to think about new knowledge, idea, procedures, technique and strategy for the completion of work. It also helps to create new modified course of action. This is essential for the growth and expansion of working areas of the business. It contributes to motivate and develop moral values among the employees. It is also helpful to maintain up-to-date position in business operation and face business complexity. The CEOs innovate and create new strategy to complete the predetermined work in this ever-changing environment (Kathryn et al, 2002).

Financial Planning plays an important role to facilitate better coordination among all the authorities and units of the organization. It clearly defines in advance what, when, and by whom the work should be done. For this purpose, it clarifies the authority and responsibility of each and every employee from top level of the organization. This is helpful to harmonize the relationship between all employees and develop a feeling of team spirit or group work among them (Denhardt, 2000). "In absence of proper planning of interrelated units, it is difficult to accomplish goal and there is possibility of wastage of resources. Thus, planning is the primary instrument to facilitate better coordination in the organization.

Financial Planning is the initial tool to business success. It plays a key role for the successful operation of the business. It helps to select the best course of action among many alternatives and defines clear line of action. Besides, it brings unity in action, minimizes cost and effort and coordinates among all the members of the organization. Ultimately, it helps to develop working efficiency and to achieve predetermined goals in an effective way. Thus, financial planning is the best for the successful operation of business activities (Berry and Wechsler, 1995). Financial Planning contributes to develop a system and uniformity in organizational performance.

It clearly defines authority and responsibility of each and every employee from upper to subordinate levels. It integrates and unites all the possible efforts of the organization. It avoids random activity and the concept of trial and error. It provides order rationality to the organization. It brings maturity in decision and makes simplification on its implementation. It brings coordination to complete the work in systematic and efficient manner and ultimately helps to minimize time and cost. Therefore, financial planning is essential function for the successful completion of organizational performances so that it can adjust itself in this competitive and ever changing environment of the society. It plays an important role to maintain unity in action and coordination among all the units and employees, improve productivity, maintain effective control and develop overall working efficiency of the business (Finkler, 2005).

Financial Planning defines the minimum standard of work to be achieved and time to complete the job. It is helpful to compare the actual performance achieved with that of predetermined or standard fixed. The CEO evaluates the actual achievement of work interval of time. This is helpful to identify the deviation, if any, between actual and planned performances. In case any deviation is there, the management can take necessary steps so that defined work can be completed in given time. Thus, planning makes control meaningful and effective (Aristigueta, 1999).

Defining standards involves ensuring the execution of the plan and continually evaluating the plan's effectiveness in deviation from the objectives. Resource allocations can also be monitored as these too will have been pre-planned and, where appropriate, allocated to the agreed actions. Immediate risk actions should be built in with the other project activities as an integral part of the overall project management plan. Other actions will be dependent upon the risk materializing and will be triggered by the occurrence of risk metrics and milestone events (Denhardt & Denhardt, 2006).

Standards monitoring and control also records risk metrics associated with implementing contingency plans and needs to be, of course, an ongoing process for the duration of the project. Naturally the risks change as the project matures; new risks may develop or the anticipated risks disappear. The elements of the process of risk monitoring and control may involve choosing alternative strategies, implementing a contingency plan, taking corrective action(s), or even re-planning the project. It is important for the risk response owner to report periodically to both the project manager and the risk team leader on the effectiveness of the plan, any unanticipated unwanted effects and any mid-project programme correction needed to mitigate the risk occurrence.

Monitoring and control is a continuous process which exerts accountability over budget holders and involves the reviewing and adjusting of spending and financial targets during each year. Plan provides a clear guide to the strategy of the authority and underlying values, objectives, targets and performance criteria against which actual performance can be measured and reported (Eadie, 1997).

Financial Planning is one of the important tools to forecast and anticipate future uncertainties and risks. The management has to work in an environment which is uncertain and ever changing. The change in environment may occur due to economic, social, political and technological changes. Planning helps an enterprise to make study about future challenges and uncertainties which may arise in the future course of action. Thus, it helps management to face future with greater strength and confidence. The systematic and practical planning provides guidelines to the management to complete the work in efficient manner (Koteen, 1997).

Standards management involve establishing specific action plans to manage the risks and, more importantly, the identification of fall-back plans to drive, inform and support risk response planning. Effective risk management demands an active process of regular risk reviews and the commitment to anticipate and influence events before they happen by taking a proactive approach; provide knowledge and information about predicted events; inform and, where possible, improve the quality of decision making; avoid covert assumptions and false definition of risks; make the project management process clear and transparent; assist in the delivery of project objectives in terms of benchmarked quality, time and cost thresholds; allow the development of scenario planning in the event of the identification of a high-impact risk; provide improved contingency planning; provide verifiable records of risk planning and risk control (Ellingson and Jacob, 2001).

Some activities of risk monitoring and control use triggers to indicate that a risk is occurring as defined during the risk response planning stage. This is one of the outputs of the action plan and as such triggers are events or consequences that cause activation of the corrective actions: a fallback plan, updating of the risk plan and use of the risk identification checklists. The concept of monitoring and feedback of risk information is a standard systems approach. When choosing the object of this control loop application, the project manager must consider the value of the control provided and judge this against the cost of obtaining it.

The factors that need to be considered are: the degree of detail needed to provide the desired status or performance information; the frequency of the feedback needed about the project status or its performance; the accuracy of the feedback of the measurement required to provide the desired status or performance information; the timeliness of the feedback including how soon the data is required to support decision making on the project; the level of management attention required to obtain the information, the type of records that must be maintained and the format in which information must be provided; the cost of producing and using the data. Generally the greater the frequency, the level of detail, accuracy and timeliness all serve to increase the cost of the process.

As new risks are identified throughout the project it is possible that the increased project exposure will exceed its available contingency. However, risks can be 'retired' when they occur and these become business issues to be addressed by the fallback plan or when the risk window date has passed without the risk occurring due to good management, a change of circumstances or simply the passage of time. On the basis of the retired risks, the contingency set aside for them should be released at that point and made available as contingency for any new risk which may emerge (Eadie, 1997).

On this basis for the risk management plan to be of maximum benefit, the project must be monitored against it and this should typically involve: coordinating the risk activities alongside the other project work; monitoring resource usage against limits and resolving any conflicts; monitoring risks to ensure that they remain within the agreed project limits; monitoring risks to ensure that they do not become too large to manage effectively; monitoring risks to ensure that they do not threaten the viability of the project objectives; re-evaluating the risks to the project as outlined in the risk strategy; implementing an agreed problem resolution process for any risks or issues that fall outside the authority of the project team. For example, an environmental risk which may impact on more than one of the project's stakeholders' implementing an agreed problem resolution process for any risks or issues that are not being effectively managed by the risk owner, and as a consequence, other stakeholders who may be adversely affected. Such problem-solving escalation demonstrates good project management; it should not be viewed as an admission of failure (Kathryn, et al, 2002).

Oduor (2003), he carried out a study on the effect of financial planning strategies on the financial performance of the local commercial banks in Kenya analyzing the manner in which financial strategies have impacted the high financial performance of the local commercial banks in Kenya. He carried out a survey study on the commercial banks in Kenya where wanted to identify which strategies were the banks applying that were bringing about the high financial performance they were achieving. He collected data from the commercial banks which showed that the banks had indeed applied financial planning techniques and strategies in tis operations that led to the high financial performance of the banks.

Kalimalwendo (2005), he carried out a study on the weak application of financial planning and budgeting in the development of the co-operative sector analyzing how financial planning was not well applied. He wanted to investigate the reasons why financial planning was not being applied in the co-operative sector in East Africa. He carried out his study in Tanzania and Kenya where he wanted to know why cooperative societies were not keen on applying financial planning in managing its financial resources. He observed that many cooperative societies in East Africa were mismanaging its finances to the extent that some were either dissolved or shut down altogether. He collected data from the cooperative societies in Kenya and Tanzania which showed that they applied very little financial planning in managing its finances and as a result deduced that a weak application of financial planning resulted in poor management of the cooperative finances and poor financial performance of the cooperative sector.

Mohammed (2008), he carried out a study to determine the importance of financial planning in micro finance firms. The study was addressing the need for such firms to apply financial planning in the management of its resources to enhance efficiency and minimize costs in the micro finance firms in Kenya. He carried out his study on micro finance firms among them being Kenya Women Finance Trust which is one of the fastest growing micro finance firms specializing on providing finances to women intending to start their business ventures. He wanted to identify which financial planning techniques were being applied by the firms in managing and allocating its financial resources so as to enhance efficiency, expand and minimize its costs. He collected data from micro finance firms which showed that firms which had opted financial planning techniques in managing and allocating resources achieved high efficiency, growth and minimized their costs. The firms which had applied little or no financial planning techniques had lower efficiency and slower financial growth.

Mwaura 2013, in his study on the effect of financial planning on the financial performance of automobile firms in Kenya indicated that different automobile industry faced challenges when formulating their financial plans. He also found out that performance measure such as market share, liquidity and financial planning strategies are important to the financial performance of firms in automobile industry in Kenya. He concluded that financial planning is to determine where the organization has been, where it is now and where it is going. The study showed that there is strong relationship between financial planning and achievement of firm's objectives.

III. RESEARCH METHODOLOGY

The researcher adapted descriptive research design in obtaining the information pertaining to the effect of financial planning in NGOs. The selection of this design is justified by the fact that it enables the researchers to determine and report issues just as they are in current situations. This form of research design thus assists the researcher to identify the selection and opinions of the respondents.

Another justification for the choice of the design is that it uses data derived from case studies which not only allows the researcher to bring out details from the point of view of the participants but it also tends to be selective focusing on only issues fundamental to the subject of the study (Mugenda & Mugenda, 2005).

The total population was forty (40) respondents composing the management staff, finance staff and planning staff. A census study of the entire population was done. To achieve the research objectives, both primary and secondary data was used to answer the research questions. Questionnaire was used to collect primary data from the respondents. Questionnaires consisting of structured and non-structured questions were used to collect data from the top management, middle level management and operational staff of PISP. The researcher used both primary and secondary sources to collect data. Secondary data was collected from the relevant sources such as reports, newsletter and unpublished data to supplement the primary data; while Primary data was collected using Questionnaires. The researcher chose self-administered questionnaires method for all respondents as it was inexpensive and allowed the respondents to complete the questionnaire at a convenient time. The researcher administered questionnaires containing mainly open and closed ended questions to the sample respondents.

The researcher asked for permission to carry out the research from the station PISP in Marsabit Town. The researcher's own opinions did not influence the respondent to answer questions in a certain manner. There were no verbal or visual clues to influence the respondent. The respondent only gave what was required and therefore remained relevant to the objectives of the study and therefore all the data given was of use to the researcher. The questionnaire was hand-dropped and picked later for analysis. Hand-dropping was appropriate as the researcher was closer to the respondents. The researcher used one questionnaire with common questions to all the respondents. The respondents needed to indicate their level of working in the organization. The point of the data collection was PISP in Marsabit Town.

In order to test validity of data collection instruments, the researcher sampled some few questionnaires; pick some few respondents of the target population before the actual research period for a sample study. This helped the researcher to attest how reliable the data collected by the questionnaires was. In this study, reliability of the data was ascertained by pre-testing the questionnaire with a selected sample of employees from PISP. The reliability of the questionnaires was determined by the pre-test that was carried out on a few employees of Pastoralist Integrated Support Programme (PISP) .This gave the researcher an assurance that the chosen instrument was fit to give the desired result.

The initial phase of analysis involved coding of the raw data into an orderly sequence of information in the form of tables. It is imperative that objective data categorization methodologies are used to isolate and highlight relevant trends Averages, dispersion frequencies and percentages should accurately serve this purpose. A content analysis was performed on the data to allow for in-depth understanding of the issues in the case. A spreadsheet was used to record the raw data. The data obtained after performing content analysis was cleaned and interpreted to form useful information. The content analysis technique was chosen for the purpose of having clarity, preciseness, and ease of understanding and better interpretation of the results. Descriptive statistics was used to present quantitative descriptions in manageable form by simply describing what the data shows. It is imperative that objective data categorization methodologies were used to isolate and highlight relevant trends. Averages, dispersion frequencies and percentages should accurately serve this purpose. There was further processing for presentation of results in a variety of graphs and charts using Ms Excel. Conclusions were then drawn from the findings and recommendations made.

IV. RESEARCH FINDINGS AND DISCUSSION

4.1 Response rate

Out of the 40 questionnaires that were distributed, 34 were duly completed and returned to the researcher.

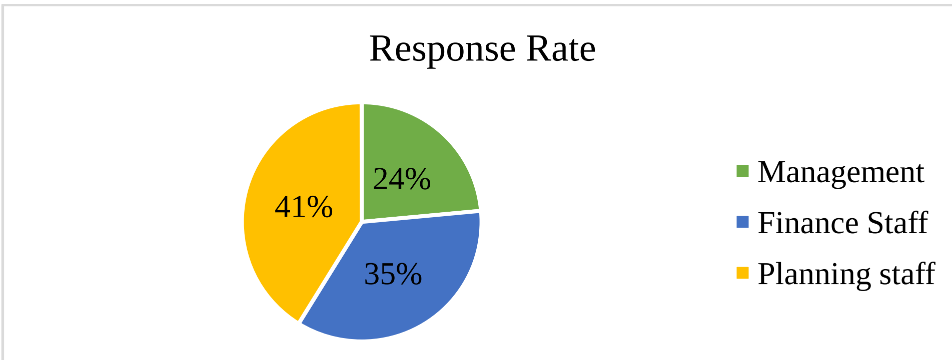

Figure 4.1: Response rate

From the Figure 4.1 above staff responded well to the request of the researcher to provide details for a research study.

4.2 Gender distribution

Table 4.1: Gender distribution

Gender of Respondents	Frequency	Percentage
Male	20	59%
Female	14	41%

According to table 4.1 above, 20 (59%) of the respondents were male while 14 (41%) of the respondents were female. This implies that more males are employed at PISP than females.

4.3 Pilot Study

From the analysis of four respondents who were sampled for pilot study which helped the researcher to attest how valid and reliable the data collected by the questionnaires was.

Table 4.2: Response from Pilot Study

Sample	Number	Cronbach Alpha
Management	1	0.7532
Finance staff	2	0.7231
Planning Staff	1	0.7123

4.4 Descriptive Analysis

Kothari (2008) describes descriptive research design as informational in nature. It reports the nature and the degree to which the data is to be addressed. The selection of this design is justified by the fact that it enables the researchers to determine and report issues just as they are in current situations.

4.4.1 Descriptive Analysis of Financial Objectives on Project Deliverables

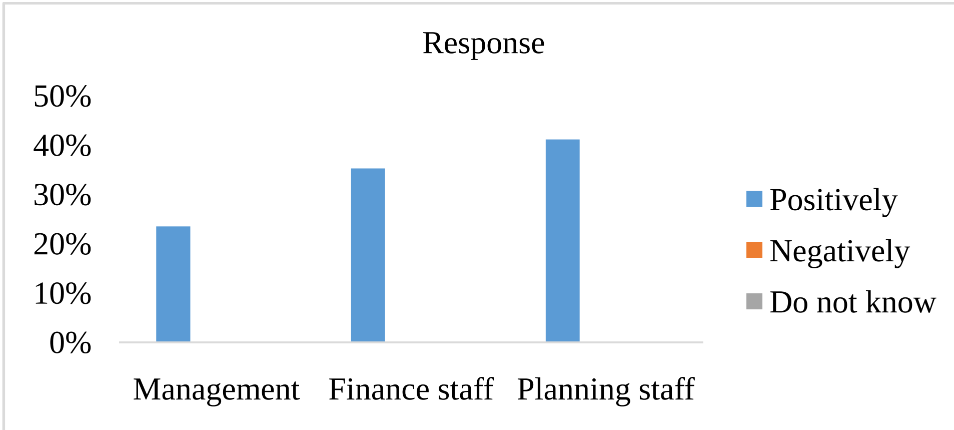

Figure 4.2: Descriptive Analysis of Financial Objectives on Project Deliverables

Figure 4.2 above shows that 24% management staff, 35% finance staff and 41% planning staff of the respondents were in agreement that financial planning programme exists in PISP and positively affect the project deliverables.

4.4.2 Descriptive Analysis of Financial Resources on Project Deliverables

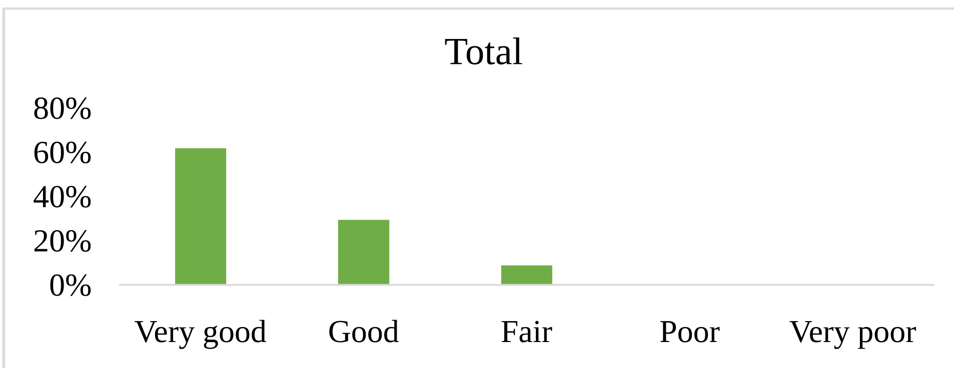

Figure 4.3: Descriptive Analysis of Financial Resources on Project deliverables

Figure 4.3 above shows that 62% which was composed of the 6 management, 7 finance staff and 8 planning staff of the respondents were in agreement that project deliverables were very good in PISP, 29% which was composed of the 2 management, 4 finance staff and 4 planning staff of the respondents also supported that the project deliverables were good and 9% 1 Finance and 2 planning staff of the respondents agreed that the project deliverables were fair.

4.4.3 Descriptive Analysis of Financial Efficiency on Project Deliverables

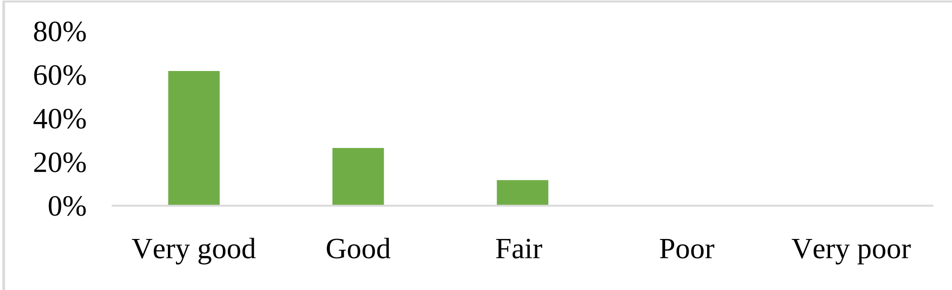

Figure 4.4: Descriptive Analysis of Financial Systems Efficiency on project deliverables

According to Figure 4.4 above 62% of the respondents were in agreement that financial systems efficiency were very good in PISP, 26% of the respondents agreed that financial system efficiency were good while the remaining 12% of the respondents agreed that financial efficiency on the project deliverables were fair.

4.4.4 Descriptive Analysis of Financial Standards on Project Deliverables

4.4.5

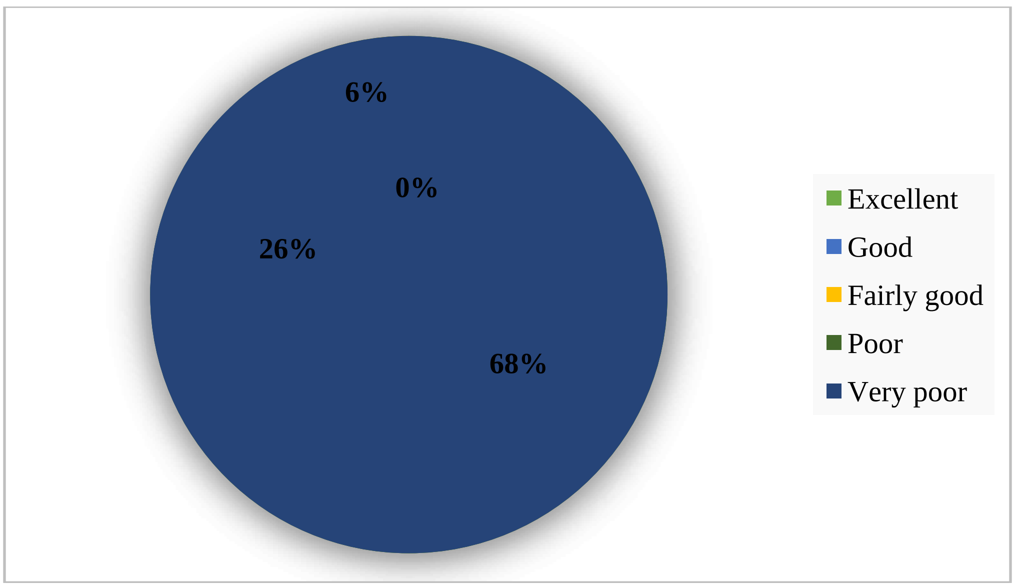

Figure 4.5: Descriptive Analysis of Financial Standards in PISP

Figure 4.5 above shows that 68% of the respondents were for the view that financial standards in PISP was excellent while 9 respondents 26% said that it was good. The remaining 2 respondents 6% rated financial standards as fairly good. This implies that financial standards have boosted project deliverables in PISP.

4.5 Qualitative Analysis

Seventy eight percent of the respondents commented that the performance of project deliverables in PISP is high compared to other organizations operating in the same region. The respondents also agreed that financial planning positively affected the performance of project deliverables. The respondents also commented that the sustainability of current financial objectives in PISP as compared to its contribution to the project deliverables was very viable and sustainable.

On the financial resources 70% of the staff commented that PISP has very good financial resources as they receive donor fund and also work closely with the Government of Kenya. In addition they commented that adequate financial resources led to achievement of project targets. The respondents also explained that PISP currently does not have any borrowings or loans from lending institutions.

100% of the respondents commented that PISP has an accounting system. They also explained that efficient financial system positively affect the project deliverables in an organization through easy management of the project by systematically following the set project targets in a set time frame.

80% of the respondents commented that financial standards which are the financial policies and procedures in PISP are excellent. This is because financial reporting is done timely as per the reporting timelines and accurately as per the requirement of the donors. This has improved the financial planning process in PISP which has led to achievement of the project deliverables.

4.6 Summary of Data Analysis

Majority of the respondents were planning staff that constituted 41% while finance staff and management staff constituted 35% and 24% respectively. Out of the total respondents, 59% were males while 41% were females. A total of 100% of the respondents were for the opinion that the financial objectives positively affected the PISP project deliverables. (24%) management staff, (35%) finance staff and (41%) planning staff of the respondents were in agreement that financial planning programme exists in PISP and positively affect the project deliverables. The respondents also commented that the sustainability of current financial objectives in PISP as compared to its contribution to the project deliverables was very viable and sustainable. The main objective of the study was to determine the effect of financial planning on project deliverables in Non- Governmental Organization in Kenya. The research found out that the effect of financial objectives to project deliverables was good. The organization was able to achieve its set project targets due to the use of financial planning.

Sixty two percent of the respondents were of the opinion that PISP financial resources were very good (29%) of the respondents were of the opinion that the project deliverables were good and the remaining (9%) were of the opinion that project deliverables were fair. The respondents commented that adequate financial resources led to achievement of project targets. The respondents also explained that PISP currently does not have any borrowings or loans from lending institutions. The study found out that financial resources affected the project deliverables in PISP, as adequate financial planning resources resulted to achievement of project set targets. Financial planning therefore has an effect on the how the specific projects deliverables are met and the stronger the financial resources in an organization the more the project deliverables achieved.

Financial efficiency in PISP was rated 62%, the respondents were of the opinion that that financial systems efficiency were very good, while 26% of the respondents were of the opinion that that financial system efficiency were good, the remaining 12% of the respondents agreed financial efficiency was fair to project deliverables. 100% of the respondents commented that PISP has an accounting system. They also explained that efficient financial system positively affect the project deliverables in an organization through easy management of the project by systematically following the set project targets in a set time frame. The study further found out that financial efficiency affected the project deliverables in PISP. An efficient financial system improved the performance of projects which consequently led to timely achievement of set project targets.

Out of the total respondents, sixty eight percent of the respondents were for the view that financial standards in PISP were excellent while respondents 26% said that it was good. The remaining respondents (6%) rated financial standards as fairly good. This implies that financial standards have boosted project deliverables in PISP. Respondents commented that financial standards which are the financial policies and procedures in PISP are excellent. This is because financial reporting is done timely as per the reporting timelines and accurately as per the requirement of the donors. This has improved the financial planning process in PISP which has led to achievement of the project deliverables. The research found out that financial standards influenced the performance of projects. The financial planning policies and procedures set by PISP determined how accurate the financial reports submitted to the donors were and they also ensured that the project funds were well utilized per each specific project deliverable.

V. SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Summary

The main objective of the study was to determine the effect of financial planning on project deliverables in Non-Governmental Organization in Kenya. The research found out that the effect of financial objectives to project deliverables was good. The organization was able to achieve its set project targets due to the use of financial planning. The study found out that financial resources affected the project deliverables in PISP, as adequate financial planning resources resulted to achievement of project set targets. Financial planning therefore has an effect on the how the specific projects deliverables are met and the stronger the financial resources in an organization the more the project deliverables achieved. The study further found out that financial efficiency affected the project deliverables in PISP. An efficient financial system improved the performance of projects which consequently led to timely achievement of set project targets. Lastly, the research found out that financial standards influenced the performance of projects. The financial planning policies and procedures set by PISP determined how accurate the financial reports submitted to the donors were; they also ensured that the project funds were well utilized per each specific project deliverable.

5.2 Conclusion

The study therefore found out that financial planning helps to focus the attention of the management and employees towards organizational objectives. It predetermines the objectives and defines line of action to complete the work. The study also shows that essential purpose of financial planning is to assess the financial resources that will be required to implement the programmes and activities to achieve the goals and targets of the plan, to ensure that funding is available as and when needed, and to monitor the efficient use of resources and of progress towards reaching the goals and targets. The study concludes that financial planning ensures selection of best cause of action, definition of clear line of action and optimum utilization of resources contributes to improved overall working efficiency of the organization. Lastly, the study concludes that financial planning defines the minimum standard of work to be achieved and time to complete the job. It is helpful to compare the actual performance achieved with that of predetermined or standard fixed.

5.3 Policy Recommendations

The study recommends for management to ensure financial objectives are set to determine the amount that is needed or desired, the time frame in which it must be made and how the money will be spent. It was also recommended that management needs to ensure adequate, suitable and appropriate financial resources are available to ensure achievement of project deliverables. Further, management should ensure financial planning is in place for optimized utilization of scarce resources.

5.4 Suggested Areas for Further Studies

Further studies are recommended on the individual aspects of financial planning that is financial objectives, financial resources, financial efficiency and financial standards. Also, a study could also be carried out focusing on factors influencing formulation of financial plans or even challenges faced during formulation of financial plans in Non-Governmental Organizations in Kenya.

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