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INTERNAL FINANCIAL CONTROL FACTORS AND PERFORMANCE OF NON-GOVERNMENTAL ORGANIZATIONS PROJECTS IN ARID AND SEMI-ARID AREAS IN KENYA

BY

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BY

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A THESIS SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION

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DECLARATION

I, the undersigned, declare that this thesis is my original work and that it has not been presented in any other University or institution for academic credit.

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This thesis has been submitted for examination with our approval as university supervisors.

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Signature ..... Date 16/09/2026

DEDICATION

I dedicate this thesis to my family, who have played a vital role in shaping the person I am today. Their unwavering love, support, and encouragement have been the driving force behind my aspirations and achievements. Their constant presence and belief in my abilities have instilled in me a sense of purpose and determination. I am truly grateful for their unwavering support and guidance throughout my journey, and I dedicate this thesis to them as a symbol of my deep appreciation and love.

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ACRONYMS

AHN: ASAL Humanitarian Network

ALDEF: Arid Lands Development Focus

ASAL: Arid and Semi-Arid Lands

ASDEF: Arid Lands Stakeholders Development Forum

KPI: Key Performance Indicators

M&E: Monitoring and Evaluation

NACOSTI: National Commission for Science, Technology and Innovation

NGO: Non-Governmental Organisation

PACIDA: Pastoralist Community Initiative and Development Assistance

RACIDA: Rural Community Development Agency

TUPADO: Turkana Pastoralist Development Organization

VIF: Variance Inflation Factor

WASDA: Wajir South Development Association

OPERATIONAL DEFINITION OF TERMS

Arid and Semi-Arid Areas (ASALs): These areas are especially susceptible to drought and desertification because of their high temperatures, unpredictable rainfall, and delicate ecosystems (Shani et al., 2019; Cicek et al., 2022). The 29 Kenyan counties designated as dry or semi-arid by the Kenya National Bureau of Statistics-Turkana, Marsabit, Mandera, Wajir, Garissa, Isiolo, Samburu, West Pokot, Baringo, Laikipia, Kitui, Makueni, Kajiado, and Narok-will be used in this study to quantify ASALs.

Control Activities: These particular policies and procedures aid in ensuring that management's instructions are followed (COSO, 2013; Rafindadi & Olanrewaju, 2019). Internal auditing, segregation of roles, and approval procedures will be used in the study to measure control activities.

Control Environment: The collection of norms, procedures, and frameworks that serve as the basis for implementing internal control throughout the company is known as the control environment (COSO, 2013; Areghan et al., 2022). Organizational culture, operating style, and governance structure will be used in this study to determine the control environment.

Internal Financial Control Factors: These are methodical rules, practices, and systems intended to guarantee precise financial reporting, regulatory compliance, fraud prevention, and efficient resource management inside businesses (Ahmed & Nganga, 2019; Dagane & Kihara, 2021). The four main components of the COSO framework-control activities, risk assessment, monitoring, and control environment-will be used in this study to measure internal financial control aspects.

Monitoring: Monitoring is the continuous activity of tracking, evaluating, and controlling a project's performance and progress in the context of project and risk management (Chege & Bowa, 2020; Eremugo & Okoche, 2021). In this

project, monitoring will be measured utilizing progress tracking, resource use, and stakeholder involvement.

Performance of Projects: This is the process of organizing, carrying out, overseeing, and finishing a project while making sure that its goals are achieved within the specified parameters of scope, quality, time and money (Kariega, 2020; Bosibori & Otieno, 2021). During this study, three metrics will be used to assess project performance: completion rate, attainment of quality criteria, and financial efficiency.

Risk Assessment: the process of locating and evaluating possible hazards that can make it more difficult to accomplish goals (Mutua & Ibembe, 2020; Kamunya & Chege, 2021). Risk identification methods, risk analysis and evaluation, and risk mitigation measures will all be combined to measure risk assessment in this study.

ABSTRACT

The performance of Non-Governmental Organizations (NGOs) in Kenya has worsened dramatically, with only 30% of registered NGOs meeting obligatory filing requirements in 2021/2022. Among those reporting, a Ksh. 9.6 billion expenditure excess over receipts indicates serious weaknesses in internal financial control and financial planning systems. The study investigated how internal financial control factors influenced the effectiveness of NGO projects in Kenya's arid and semi-arid regions, specifically examining the effects of control activities, risk assessment, monitoring, and control environment on project performance. The study was anchored on four theories: agency theory, which explains how control mechanisms align agent behavior with donor expectations; stakeholder theory, which explains how monitoring promotes stakeholder engagement; institutional theory, which explains how risk assessment responds to regulatory and social expectations; and resource dependence theory, which explains how control environments enable effective management of external resource dependencies. A convergent parallel mixed-methods design was utilized to collect data from 157 respondents from 29 NGOs in the ASAL Humanitarian Network, resulting in an aggregate response rate of 90.23%. Correlation analysis found substantial positive relationships between all internal financial control factors and project performance. Regression analysis revealed that monitoring ($\beta = 0.256$, $p = 0.000$) had the strongest effect on project performance, followed by control activities ($\beta = 0.249$, $p = 0.000$), risk assessment ($\beta = 0.197$, $p = 0.001$)), and control environment ($\beta = 0.132$, $p = 0.036$). The model incorporating project-level and organizational-specific control variables accounted for 63.9% of variance in project performance. The study recommends strengthening control activities, developing thorough risk assessment frameworks, establishing integrated monitoring systems, and building strong control environments to improve NGO project performance in Kenya's arid and semi-arid regions.

CHAPTER ONE

INTRODUCTION TO THE STUDY

1.1 Background to the study

The welfare of the world's most vulnerable populations is inextricably linked to NGO operational success (Al Mokdad, 2025). Inadequate infrastructure, weak socioeconomic systems, and environmental uncertainties create unique operational challenges (Cicek *et al*., 2022). Project performance refers to the effectiveness and efficiency with which NGOs achieve stated goals (Dagane & Kihara, 2021). Performance is a multifaceted concept extending beyond time and budget considerations (Bosibori & Otieno, 2021). According to Areghan *et al*. (2022), performance encompasses long-term sustainability, adaptability to obstacles, community satisfaction, and goal alignment. In this study, internal financial control factors, control activities, risk assessment, monitoring, and control environment, constitute the independent variables. NGO project performance constitutes the dependent variable.

In the past, NGOs directed efforts toward improving living standards across diverse geographical areas (Shani *et al*., 2019). Global research shows that organizations with thorough internal control systems record higher project completion rates (Oppong *et al*., 2016; Vulley, 2022; Harasheh *et al*., 2023; OECD, 2023). However, standardized control frameworks frequently encounter difficulties in complex operational environments. Environmental uncertainties and infrastructure deficiencies remain persistent barriers (Deserranno & Qian, 2020; Paradigm Initiative, 2024).

Africa hosts a rapidly expanding NGO sector supporting over 268 million people (FAO, 2024; World Bank, 2023). Regional performance evaluations reveal notable differences in organizational effectiveness. These differences frequently correlate with the strength of internal management systems (Freedom House, 2019). Studies show NGOs in difficult environments face unique challenges maintaining effective internal controls. Geographic remoteness, inadequate infrastructure, and emergency responses disrupt regular operations (Etengu & Amony, 2016; Sibomana & Mulyungi, 2020; Karlan *et al*., 2020). Concerning patterns reveal poor governance, insufficient monitoring, and misallocated resources across the region (Deserranno & Qian, 2020).

Kenya hosts 3,005 NGOs formally registered with the Public Benefits Organizations Regulatory Authority as of 2024. Despite this significant presence, performance trends remain alarming. Only 30% of registered NGOs filed required annual returns for the 2021–2022 fiscal year (Ministry of Interior and National Administration, 2023). More critically, reporting organizations received Ksh. 175.9 billion but spent Ksh. 185.5 billion. This Ksh. 9.6 billion deficit indicates serious weaknesses in internal financial control and financial planning systems (Ministry of Interior and National Administration, 2023).

Internal financial control factors are significant drivers of NGO project performance. Control activities serve as essential building blocks. They significantly influence project implementation and financial accountability (Rafindadi & Olanrewaju, 2019; Bosibori & Otieno, 2021). Risk assessment is equally critical in managing uncertainty and achieving organizational objectives (Ahmed & Nganga, 2019; Dagane & Kihara, 2021). Monitoring upholds accountability and enables superior project success (Chege & Bowa, 2020; Njeri & Were, 2017). Areghan *et al*. (2022) demonstrate that effective control environments substantially contribute to sustainable performance outcomes. However, inadequate funding, weak governance, and low stakeholder participation remain significant impediments (Bosibori & Otieno, 2021; Deserranno & Qian, 2020).

Despite this evidence, gaps remain in understanding how internal financial control factors function in difficult operational environments. Individual studies have examined control components in isolation. Ahmed and Nganga (2019) focused on internal controls and financial performance. Dagane and Kihara (2021) examined financial control techniques. Areghan *et al*. (2022) investigated the control environment. Rafindadi and Olanrewaju (2019) evaluated control activities. Chege and Bowa (2020) examined monitoring and evaluation systems. No comprehensive study has simultaneously examined all four control components in ASAL contexts. Furthermore, most existing research concentrates on urban settings, leaving ASAL environments largely unexplored (Chege & Bowa, 2020; Alio, 2021; Oppong *et al*., 2016). Given that only 30% of NGOs comply with basic reporting standards, understanding internal financial controls in ASAL contexts is critical for sector sustainability (Ministry of Interior and National Administration, 2023).

1.2 Statement of the problem

The provision of vital services to vulnerable populations is threatened by a serious performance crisis in Kenya's NGO sector. According to the Ministry of Interior and National Administration (2023), 70% of Kenya's 12,162 registered NGOs did not file required annual returns for 2021/2022. This indicates significant regulatory non-compliance across the sector. In areas where government capacity is inadequate, NGOs provide critical healthcare, education, water, and emergency services to millions of underprivileged Kenyans (Njeri & Were, 2017; Chege & Bowa, 2020). Non-compliance directly undermines accountability and donor confidence in the sector (Bosibori & Otieno, 2021; Dagane & Kihara, 2021).

Of the 3,005 NGOs that filed returns, records show they received Ksh. 175.9 billion but spent Ksh. 185.5 billion (Ministry of Interior and National Administration, 2023). This Ksh. 9.6 billion expenditure excess over receipts indicates that NGOs spent beyond their reported income for the period. Such a pattern suggests reliance on prior-year reserves or off-book funding. It further signals weaknesses in expenditure authorization, budget monitoring, and financial oversight mechanisms. This pattern of spending beyond reported receipts reflects broader internal financial control deficiencies. These deficiencies directly compromise project performance and organizational sustainability (Ministry of Interior and National Administration, 2023).

Furthermore, although research has shown that internal financial control elements significantly determine organizational success, little is known about how these factors collectively affect NGO project performance in Kenya's ASAL regions. Individual studies have examined control components in isolation. Ahmed and Nganga (2019) studied internal control practices and financial performance. Dagane and Kihara (2021) examined financial control practices in Garissa County. Chege and Bowa (2020) investigated monitoring and evaluation systems in Nairobi County. Areghan *et al*. (2022) analyzed control environment effects. Rafindadi and Olanrewaju (2019) assessed control activities' impact on accountability. Bosibori and Otieno (2021) examined project management practices in Kwale County. No comprehensive study has examined how risk assessment, monitoring, control environment, and control activities function together as an integrated

system in Kenya's ASAL NGO contexts. This study sought to bridge this knowledge gap. It analyzed the combined influence of internal financial control factors on NGO project performance in arid and semi-arid regions of Kenya.

1.3 Research Objectives

The section includes general and specific objectives

1.3.1 General Objective

The general objective of the study was to examine the effect of internal financial control factors on performance of non-governmental organization projects in arid and semi-arid areas in Kenya.

1.3.2 Specific Objectives

The specific objectives of the study included:

i. To assess the effect of control activities on performance of non-governmental organization projects in arid and semi-arid areas in Kenya.

ii. To examine the effect of risk assessment on performance of non-governmental organization projects in arid and semi-arid areas in Kenya.

iii. To establish the effect of monitoring on performance of non-governmental organization projects in arid and semi-arid areas in Kenya.

iv. To investigate the effect of control environment on performance of non-governmental organization projects in arid and semi-arid areas in Kenya.

1.4 Research Questions

The study was guided by the following research questions:

i. What is the effect of control activities on performance of non-governmental organization projects in arid and semi-arid areas in Kenya?

ii. What is the effect of risk assessment on performance of non-governmental organization projects in arid and semi-arid areas in Kenya?

iii. What is the effect of monitoring on performance of non-governmental organization projects in arid and semi-arid areas in Kenya?

iv. What is the effect of control environment on performance of non-governmental organization projects in arid and semi-arid areas in Kenya?

1.5 Significance of the Study

The suggested study is significant to several stakeholder groups. Three primary groups will gain from the research findings: academicians, government officials and policy makers, and NGO management. The study's conclusions will provide NGO management with crucial information regarding important internal financial controls that affect project performance outcomes in Kenya's arid and semi-arid regions. Through evidence-based findings, research on control activities, risk assessment, monitoring, and control environments will provide NGOs with useful techniques to enhance project outcomes. The findings of this study help NGOs create better risk avoidance and performance monitoring systems for their risk-specific areas, as well as intentional financial management strategies. The research findings will enable NGO managers to make informed decisions that result in better financial outcomes along with long-term project activities and successful community-based accomplishments.

The study's conclusions give policymakers and government representatives pertinent data to develop frameworks and regulations that effectively handle the challenges faced by NGOs working in arid and semi-arid regions. The results of this study will help policymakers develop guidelines encouraging NGOs to establish sound internal financial control procedures. In order to improve the circumstances for NGO success in community development activities, policy makers should use this study to identify critical support needs and necessary capacity-building areas. Government and policy makers can help improve NGO performance, better use of resources, and increased social impact in especially vulnerable areas by aligning legislation with the research's recommendations.

Academicians studying development studies, managerial issues, and other related subjects can benefit much from the research. The study significantly advances our understanding of how internal financial control components affect NGO organizational performance in high-risk environments. The study establishes a foundation for future scholarly research on NGO performance, financial management, and sustainable development in arid and semi-arid areas.

1.6 Scope of the Study

This study investigated internal financial control factors influencing project performance of NGOs operating in Kenya's ASALs. The four independent variables, control activities, risk assessment, monitoring, and control environment, were selected based on the COSO Internal Control–Integrated Framework (COSO, 2013). The COSO (2013) framework identifies these four components as core pillars of effective internal control systems applicable across organizational types. These components have been consistently applied in NGO financial control research in developing contexts (Rafindadi & Olanrewaju, 2019; Bosibori & Otieno, 2021; Dagane & Kihara, 2021). Project budget factors, infrastructure quality, security conditions, and staff experience were included as control variables. These factors may independently affect project performance beyond internal financial control systems.

The study concentrated on 29 NGOs actively operating in Kenya's ASAL regions. These NGOs were selected based on five eligibility criteria. First, they maintained continuous operations in ASAL territories for a minimum of two years. This threshold ensured adequate operational experience to develop and implement internal financial control systems. Second, they were actively implementing multi-sectoral projects. Third, they adhered to donor funding requirements for structured financial reporting standards. Fourth, they were formally registered with national regulatory bodies. Fifth, they were logistically accessible for research engagement. NGOs operating for less than two years were excluded from the study.

Kenya's arid and semi-arid regions constitute 89% of the nation's landmass across 29 counties. These regions support approximately 16 million people, representing 36% of Kenya's total population (UNDP Kenya, 2025; IUCN, 2024). Poor infrastructure, water shortages, climate variability, and vulnerable populations create distinct operational conditions for NGOs (ReliefWeb, 2023). The 29 selected NGOs operated across health, education, food security, water and sanitation, and disaster management sectors. NGOs in urban areas or non-ASAL regions were excluded. This boundary ensured findings directly addressed the specific operational challenges and internal control needs of organizations in arid and semi-arid environments.

1.7 Theoretical Framework

This study was anchored on four theories: agency theory, stakeholder theory, institutional theory, and resource dependence theory. Jensen and Meckling (1976) established agency theory, which examines principal-agent relationships and accountability mechanisms in organizational settings. In NGO contexts, donors acted as principals entrusting funds to NGO management as agents, creating potential conflicts requiring internal financial control mechanisms. Freeman (1984) established stakeholder theory, which emphasized that organizations must balance multiple stakeholder interests beyond simple principal-agent relationships. This theory recognized that local communities, government officials, donors, and beneficiaries all had legitimate interests in NGO project outcomes (Freeman *et al*., 2010). Meyer and Rowan (1977) established institutional theory, which examined how organizations conform to regulatory expectations, social norms, and cultural values in their operational contexts. Pfeffer and Salancik established resource dependence theory, which assessed how organizations strategically managed external resource dependencies to sustain operations and minimize risks (Casciaro & Piskorski, 2005).

Combined, these four theories provided a comprehensive foundation for examining how internal financial control factors influenced NGO project performance in Kenya's arid and semi-arid regions. Agency theory supported examining how control activities and monitoring aligned agent behavior with donor expectations. Stakeholder theory supported examining how monitoring mechanisms promoted broader stakeholder engagement and accountability. Institutional theory supported examining how risk assessment procedures responded to regulatory and institutional pressures in complex ASAL environments. Resource dependence theory supported examining how control environments enabled effective donor and stakeholder relationship management, thereby sustaining resource availability and project performance. A detailed discussion of each theory alongside its criticisms is presented in Section 2.2.

1.8 Conceptual Framework

This study conceptualizes the relationship between internal financial control factors and NGO project performance in Kenya's arid and semi-arid regions. The framework is adapted from the COSO Internal Control–Integrated Framework (COSO, 2013), which identifies

control activities, risk assessment, monitoring, and control environment as core components of effective internal control systems. These four components constitute the independent variables. NGO project performance constitutes the dependent variable. The framework is further informed by prior empirical studies on internal financial controls and NGO performance in developing contexts (Rafindadi & Olanrewaju, 2019; Bosibori & Otieno, 2021; Dagane & Kihara, 2021). Figure 1 presents a diagrammatical representation of the conceptual framework.

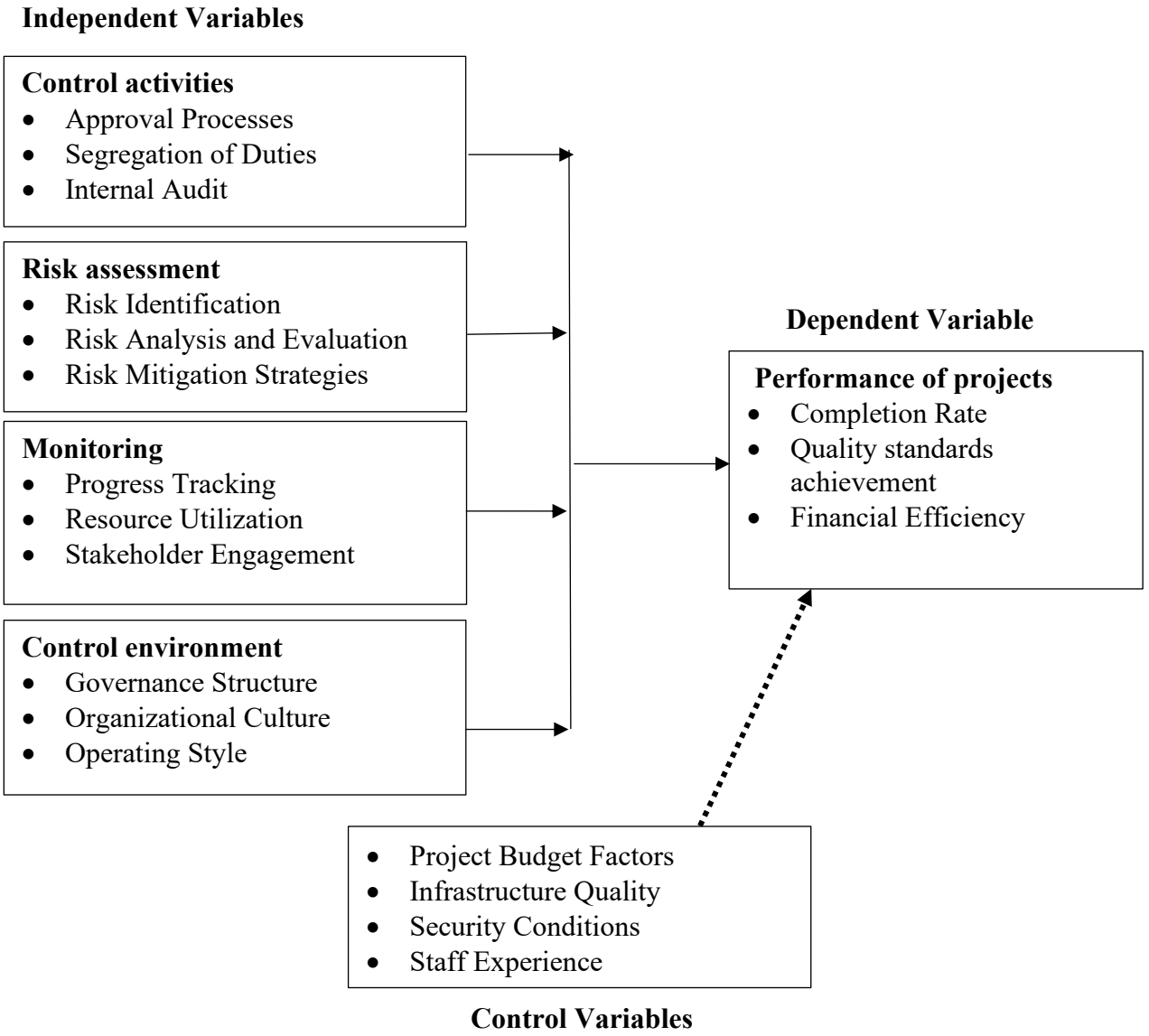


Figure 1: Conceptual Framework

Source: Researcher (2026)

The independent variables are the four internal financial control factors. Control activities refer to internal financial control measures used by NGOs in Kenya's ASAL regions. They include approval processes (procedures for authorizing and documenting transactions), segregation of duties (division of responsibilities to prevent fraud and errors), and internal auditing (regular examination of financial processes and policy compliance). Risk assessment is the process of identifying and evaluating potential risks to project performance. It includes risk identification, risk analysis and evaluation, and risk mitigation tactics. Monitoring is the continuous oversight and tracking of project activities. It encompasses progress tracking, resource utilization, and stakeholder engagement. The control environment constitutes the complete organizational operational setting. It includes governance structure, decision-making procedures, operating style, and organizational culture.

The dependent variable is NGO project performance. It represents the outcomes and efficacy of NGO programs in defined areas of activity. Performance is evaluated using three indicators: completion rate (percentage of projects finished), quality standards achievement (percentage of deliverables meeting technical standards), and financial efficiency (cost-effectiveness of project execution).

Unlike the independent variables, the control variable is not a hypothesized determinant of project performance. It is included solely to account for its potential confounding influence on the relationship between internal financial control factors and project performance. Without controlling for project budget factors, infrastructure quality, security conditions and staff experience, the study may suffer from omitted variable bias, attributing performance differences to internal financial controls when they may be caused by these other factors (Atinc *et al*., 2012).

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The chapter focuses on past literature reviews. Notably, the chapter presents the review of theories, criticism of the theories, empirical review and finally, the knowledge gap. The empirical review incorporates studies from other scholars on internal financial control factors and performance. The section of empirical review examines related studies that are thematically arranged according to the research objectives (control activities and performance, risk assessment and performance, monitoring and performance, control environment and performance). Under the review of theories, relevant theories based on the research objectives will be presented. Each section will be comprehensively examined to bring out its relevance in the study. In the end, the chapter presents the knowledge gap.

2.2 Theoretical Review

A review of related theories for the study is provided in this section. The section aims to expand theoretical knowledge regarding existing research on internal financial control factors and their relationship with performance. The study was anchored on agency theory, stakeholder theory, institutional theory, and resource dependence theory. These theories provided an essential foundation for the investigation.

2.2.1 Agency Theory

Agency theory was first presented by Michael Jensen and William Meckling in 1976. The theory serves as the primary theoretical foundation for examining internal principal-agent relationships in organizational settings. Jensen and Meckling (1976) illustrate how disputes between principals, who give agents decision-making authority, emerge due to information gaps and competing interests. The theory states that principals encounter agency conflicts with agents because of agents' disparate goals, perceptions of risk, and degrees of information availability (Jensen & Meckling, 1976). The fundamental goal of agency theory is to specify how principals should integrate agent preferences with their own goals and create mechanisms that encourage agents to make principal-centered decisions (Dobbin & Jung, 2010). When agents possess more information than their principals, they

may take advantage of opportunities that lead to personal benefits undermining principal objectives.

Agency theory offered a useful framework for comprehending relationships between agents, comprising NGO managers and employees, and principals, comprising donors and beneficiaries. In the NGO sector, resources are frequently assigned to agents to complete specific initiatives, creating significant risks of agency problems such as mismanagement and conflicting interests. Internal financial control systems, particularly control activities, risk assessment, monitoring, and control environment, served as mechanisms for aligning agent behavior with principal interests and ensuring accountability in resource usage. Agency theory enabled analysis of how NGOs in ASAL regions set up control systems that prevented managerial incompetence and unethical behavior, aligning organizational actions with donor and stakeholder expectations.

Despite its contributions, agency theory has notable limitations. The theory assumes that individuals are simply motivated by self-interest and that conflicts are therefore inevitable (Arthurs & Busenitz, 2003). This assumption ignores shared objectives and ethical behavior found in organizational contexts. Agency theory focuses primarily on contractual arrangements and financial rewards, overlooking comprehensive relationships and motivational elements that characterize organizations committed to social outcomes (Arthurs & Busenitz, 2003). Critically, agency theory addresses only the donor-NGO principal-agent dyad, neglecting the broader network of stakeholders, including local communities, government officials, and partner organizations, whose interests also shape NGO project performance. This limitation necessitated the incorporation of stakeholder theory to provide a more comprehensive account of the multiple interests influencing NGO performance in ASAL regions.

2.2.2 Stakeholder Theory

Stakeholder theory was developed by Edward Freeman in 1984. According to this theory, organizations develop to understand and satisfy the diverse requirements and interests of their numerous stakeholders. Freeman *et al*. (2010) state that organizations take moral and ethical stances that allow them to engage with all stakeholders while pursuing their own objectives. Organizations improve their reputation and sustainability while fostering

stronger relationships with their stakeholders through effective stakeholder management. According to Laplume *et al*. (2008), stakeholder theory acknowledges that decisions and actions made by organizations can have far-reaching effects beyond financial results, impacting the welfare of people, communities, and the environment.

This theory was helpful for determining how monitoring influenced the performance of NGO projects in Kenya's ASAL regions. It highlighted the importance of considering the needs and interests of various project stakeholders, including local community members, government officials, donors, and partner organizations. Through operational monitoring, stakeholder participation, and prompt response, NGOs maintained positive connections with both donors and community members. This management approach improved project outcomes and NGO reputation while maintaining operational stability. Stakeholder theory was used to examine monitoring impacts and gather crucial information regarding NGO stakeholder management that improved organizational effectiveness and favorable community outcomes.

Stakeholder theory is not without criticism. According to Mansell (2013), stakeholder interests often compete with one another, making it difficult to identify and rank stakeholders appropriately. Managing different stakeholder demands while stakeholders' full perspectives on their requirements remain unclear presents a persistent challenge. Furthermore, stakeholder theory's commitment to long-term value creation necessitates short-term sacrifices that are difficult to apply in organizations operating with limited resources (Mansell, 2013). Critically, while stakeholder theory identifies who the relevant parties are, it does not adequately explain how external regulatory frameworks, social norms, and institutional pressures shape organizational behavior and internal control procedures. This gap necessitated the incorporation of institutional theory to explain how NGOs in ASAL regions align their risk assessment procedures with broader regulatory and social expectations.

2.2.3 Institutional Theory

Institutional theory was developed by John Meyer and Brian Rowan in 1977. According to Kostova *et al*. (2008), institutional theory investigates how organizations adapt to the societal norms, values, and expectations prevalent in their surroundings. The sociological

framework examines how institutional components, including formal regulations, social norms, and cultural beliefs, influence organizational structures and human behavior (Willmott, 2015). According to Scott (2005), groups establish rules that people and organizations follow in order to gain social acceptance. Institutions use normative, regulatory, and cognitive methods to establish authority over their environment. Rules and regulations are regulative; social norms and expectations are normative; and common ideas and presumptions are cognitive. By aligning their actions with institutional forces, organizations aim for legitimacy (Suddaby, 2010).

This theory was crucial for determining how risk assessment affected NGO project performance in Kenya's ASAL regions. NGOs operating in these regions had to align their risk assessment procedures with legal frameworks and social expectations to obtain legitimacy and societal approval. Risk assessment remained a critical component of NGO activities, particularly in regions characterized by socioeconomic and environmental challenges. Institutional theory was used to analyze how NGOs responded to institutional pressures regarding risk assessment, assessing how they implemented procedures that complied with current standards and laws while pursuing legitimacy through meeting the demands of important stakeholders.

Institutional theory has recognized limitations. The theory provides crucial information on how organizations react to social norms and legal requirements but falls short in explaining individual behavior within institutional settings. Its focus on institutional acceptance and organizational compliance obscures how organizations might transform existing institutions (Scott, 2005). The approach emphasizes maintaining organizational status quo while showing limited capacity to explain how organizations adapt to changing circumstances and new opportunities. Critically, institutional theory does not address how organizations strategically manage their dependence on external resources, such as donor funding, infrastructure support, and strategic partnerships, to sustain operations in resource-scarce ASAL environments. This limitation necessitated the incorporation of resource dependence theory to explain how control environments enabled NGOs to manage external resource dependencies and sustain project performance.

2.2.4 Resource Dependence Theory

Resource dependence theory (RDT) was created by Gerald Salancik and Jeffrey Pfeffer. RDT examines how organizations depend on external resources for operational success. Relationships with external sources help organizations succeed by providing resources needed to achieve their objectives (Jackling & Johl, 2009). According to RDT, organizations successfully manage their external relationships through strategic partnering, reducing exposure to hazards and preserving reliable resource availability (Casciaro & Piskorski, 2005). Organizations with dominant resource access outperform those with fewer resources. By examining institutional factors including cultural and legal norms, RDT highlights resource dependency patterns (Sharpley, 2000).

This theory guided the examination of how the control environment affected project performance outcomes of NGOs in Kenya's ASAL regions. Resources were crucial to NGO success in challenging environments. NGOs typically required external financial support, strategic alliances, and assistance from numerous stakeholders to carry out projects successfully. Because resource availability in uncertain ASAL circumstances remained unpredictable, RDT required organizations to proactively manage their reliance on external resources. RDT analysis showed how control environments within NGOs affected resource reliance strategies and project outcomes in unstable contexts.

RDT has recognized limitations. The theory's emphasis on external resource dependency over internal capabilities and resource creation represents a significant weakness (Davis & Cobb, 2010). Organizations possess strategic internal capabilities that may surpass the theory's potential appraisal. Furthermore, RDT is unable to adequately account for dynamic changes in resource dependencies arising from market conditions, technological advancements, and shifts in stakeholder expectations (Davis & Cobb, 2010). Taken together, these limitations across all four theories reinforced the necessity of adopting an integrated multi-theoretical framework in this study. The combined application of agency theory, stakeholder theory, institutional theory, and resource dependence theory provided a more comprehensive and robust foundation for examining how internal financial control factors collectively influenced NGO project performance in Kenya's arid and semi-arid regions.

2.3 Empirical Review

Internal financial controls refer to the systematic policies, procedures, and mechanisms that organizations adopt to ensure accurate financial reporting, safeguard assets, prevent fraud, and promote operational efficiency (COSO, 2013; Vulley, 2022). In the NGO context, internal financial controls encompass four core components derived from the COSO Internal Control–Integrated Framework: control activities, risk assessment, monitoring, and control environment. These components collectively determine how well an organization manages its resources, complies with donor requirements, and delivers on its mandate (Oppong *et al*., 2016; Harasheh *et al*., 2023). Empirical research demonstrates that NGOs with robust internal financial control systems consistently record better accountability outcomes, stronger donor relationships, and higher project completion rates than those with weak or absent controls (Etengu & Amony, 2016; Sibomana & Mulyungi, 2020; OECD, 2023).

NGO project performance refers to the degree to which an organization achieves its stated project goals within the defined parameters of scope, quality, time, and financial efficiency (Kariega, 2020; Bosibori & Otieno, 2021). Performance in the NGO sector extends beyond simple task completion to encompass long-term sustainability, beneficiary satisfaction, stakeholder accountability, and adaptability to operational challenges (Dagane & Kihara, 2021; Areghan *et al*., 2022). In Kenya's arid and semi-arid regions, where geographic remoteness, infrastructure deficiencies, and environmental uncertainty complicate project delivery, organizational performance is especially sensitive to the quality of internal financial control systems (Chege & Bowa, 2020; Njeri & Were, 2017). The following subsections review empirical evidence on how each of the four internal financial control components - control activities, risk assessment, monitoring, and control environment - influences NGO project performance.

2.3.1 Control Activities and their Effect on NGO Project Performance

The association between control activities and NGO performance is demonstrated by academic studies conducted across several African nations. According to Alio's (2021) study of NGOs in Nairobi, Kenya, adherence to accounting standards was the most important factor improving NGO performance. Using a sample of 87 NGOs and a

descriptive survey approach, the study found that appropriate documentation, permission processes, and job segregation greatly improved organizational effectiveness. These findings align with agency theory, which posits that control activities serve as mechanisms for aligning agent behavior with principal interests (Jensen & Meckling, 1976). Strengthening internal control activities directly improved project success, according to Etengu and Amony's (2016) investigation of the direct association between control activities and financial performance for Ugandan NGOs. Their study offered suggestions for businesses operating in Uganda's semi-arid and dry areas, where resource management is crucial.

Oppong *et al*. (2016) assessed the impact of internal control operations on faith-based NGOs' performance management in Accra, Ghana, confirming the favorable correlation between internal control systems and NGO performance, especially in terms of economy and efficiency. Using both quantitative and qualitative methods, their study examined thirty faith-based NGOs and found that operational efficiency was greatly increased by appropriate authorization processes, sufficient documentation, and physical safeguards. However, their study found that performance efficiency is not always correlated with effective control measures, necessitating the use of comprehensive methods for measuring organizational performance. The study underlined that control actions must be customized to the organizational environment and operational complexity to attain the best outcomes.

Rapani and Malim (2020) extended the study to NGOs operating in high-risk environments, offering further proof of the favorable correlation between control efforts and financial performance. Their study, concentrating on Indonesian NGOs working in disaster-prone areas, showed that strong control measures, including appropriate paperwork, authorization processes, and physical controls, greatly improved project delivery efficacy. NGOs with well-established control activities had 28% higher project completion rates and 35% fewer financial irregularities compared to organizations with inadequate control systems. For NGOs working in Kenya's arid and semi-arid regions, where environmental uncertainty increases operational risks, this conclusion is especially pertinent. These findings align with resource dependence theory, which highlights that

proactive management of operational processes preserves reliable resource availability (Casciaro & Piskorski, 2005).

Sibomana and Mulyungi (2020) confirmed that control activities function as essential financial management systems for NGOs through their analysis of Rwanda's Indoor Residual Spraying Project. Their study, examining 45 NGOs carrying out health treatments, discovered that organizations with well-organized authorization processes, sufficient job segregation, and appropriate documentation systems had much higher project outcomes. Effective control measures increased donor compliance rates by 38% and decreased financial disparities by 42%. These results show how crucial control actions are to upholding accountability and guaranteeing long-term project execution. This is consistent with stakeholder theory, which emphasizes that effective organizational controls build stakeholder confidence and sustain operational legitimacy (Freeman *et al*., 2010).

Bosibori and Otieno (2021) discovered that project management techniques, including control activities, had a major impact on project execution success in their investigation of environmental NGO projects in Kwale County, Kenya. NGOs that had well-established permission processes, appropriate documentation systems, and sufficient segregation of roles encountered fewer implementation delays and met higher quality requirements. The study showed that control activities improved resource consumption efficiency and decreased operating hazards in difficult environmental conditions. Control activities had a major impact on financial responsibility, especially in groups serving vulnerable people, according to Rafindadi and Olanrewaju's (2019) analysis of Nigerian NGOs. Using a sample of 120 NGOs and regression analysis, their study found that appropriate documentation systems and authorization processes accounted for 65% of the variation in financial responsibility metrics. NGOs with robust control operations maintained stronger contacts with donors and attained greater levels of community trust, reinforcing agency theory's proposition that effective control mechanisms reduce information asymmetry between principals and agents (Jensen & Meckling, 1976).

The synthesis of study data consistently shows that control actions are essential strategies for improving NGO project success across various African contexts. Convergent evidence from studies by Alio (2021), Etengu and Amony (2016), and Sibomana and Mulyungi

(2020) shows that appropriate authorization processes, sufficient documentation, and task segregation greatly enhanced project success. Control efforts promoted donor compliance, operational efficiency, and the attainment of quality requirements in addition to improving financial management. These results imply that engaging in strong control efforts greatly improves project performance and organizational sustainability in difficult operational conditions for NGOs operating in Kenya's arid and semi-arid regions.

2.3.2 Risk Assessment and its Effect on NGO Project Performance

Organizations working in challenging environments benefit greatly from research on risk assessment and its effect on NGO effectiveness. For NGOs working in Nairobi County, Kenya, Kamunya (2021) found a direct correlation between risk management strategies and project achievement levels, indicating that risk assessment is necessary for organizations to meet project success goals in high-uncertainty scenarios. The study examined 156 NGOs and found that systematic risk identification and assessment processes accounted for 58% of the variance in project performance results. Project success rates were 45% higher for organizations that performed thorough risk assessments than for those using ad hoc risk management techniques. These findings align with institutional theory, which posits that organizations must align their risk assessment procedures with regulatory frameworks and social expectations to obtain legitimacy (Meyer & Rowan, 1977).

Mutua and Ibembe (2020) examined effective risk management techniques enhancing NGO functional performance in Kitui County, Kenya, concentrating on organizations carrying out development projects in difficult environmental circumstances. Using a mixed-methods approach with 89 NGOs, they discovered that systematic risk assessment techniques greatly improved project delivery efficacy. NGOs who regularly conducted risk assessments had 28% better budget variance performance and 32% fewer project delays. These results show how crucial proactive risk assessment is to managing the uncertainties that accompany development activities, especially in arid and semi-arid areas where social and environmental concerns are common. Kamunya (2021) confirmed the substantial correlations between effective risk management strategies and project success outcomes through further research in Nairobi County. Their three-year longitudinal study following

78 NGOs showed that organizations with defined risk assessment procedures maintained more consistent project performance despite outside obstacles.

Simon and Mutiso (2021) found a substantial correlation between project performance outcomes and risk identification and assessment processes in their study of agricultural risk management systems' effects on project delivery outcomes in Nakuru County, Kenya. Their study, concentrating on 65 agricultural NGOs, found that systematic risk assessment techniques helped organizations better deal with social difficulties, market volatility, and climate uncertainty. NGOs with thorough risk assessment frameworks maintained 35% better financial performance and attained 40% higher beneficiary satisfaction rates compared to organizations with weak risk management capabilities. These results highlight how crucial context-specific risk assessments are for NGOs working in difficult agricultural situations, consistent with institutional theory's proposition that organizations must adapt their practices to their specific operational environment (Scott, 2005).

Dube and Kwenda (2023) demonstrated how credit risk control affects financial performance in their study of Southern African microfinance institutions, illustrating the intricate structure of financial risk management pertinent to NGOs handling diverse funding sources. Examining 145 microfinance institutions across six countries, their study showed that thorough risk assessment practices greatly decreased default rates and enhanced institutional viability. Organizations using systematic risk assessment frameworks experienced a 25% decrease in operational losses and maintained better ties with funding partners. Watema and Tulirinya (2021) expanded the geographical scope through research in Iganga Municipality, Uganda, confirming that risk management practices and project implementation collaborate to increase project outcome effectiveness. Examining 92 development NGOs, they found that effective risk assessment improved organizational learning and adaptive capacity, allowing NGOs to react to changing conditions more skillfully. This finding aligns with resource dependence theory, which emphasizes that proactive management of external uncertainties sustains consistent resource availability and operational stability (Casciaro & Piskorski, 2005).

Systematic risk assessment is a crucial factor determining the success of NGO projects, according to convergent data from numerous studies across various African contexts.

Research by Kamunya (2021), Mutua and Ibembe (2020), and Simon and Mutiso (2021) repeatedly demonstrates that organizations with thorough risk assessment processes sustain higher financial performance, accomplish better project outputs, and exhibit stronger organizational resilience. Risk assessment improves organizational capacity for adaptive management and strategic decision-making in addition to preventing problems. These findings indicate that investing in systematic risk assessment capacities greatly improves project efficacy and organizational sustainability for NGOs operating in Kenya's arid and semi-arid regions under highly uncertain operational conditions.

2.3.3 Monitoring and its Effect on NGO Project Performance

Research on monitoring and evaluation (M&E) techniques shows how crucial they are to the success of NGO projects across various African contexts. Aga (2022) conducted research in Ethiopia examining M&E processes, staff technical competencies, budgeting procedures, and stakeholder involvement activities across 384 development projects. Using structural equation modeling, the study found that M&E planning accounted for 52% of the variance in project performance metrics. Organizations with systematic monitoring frameworks showed 45% better resource usage efficiency and 38% higher project completion rates compared to organizations using informal monitoring methods. These findings align with stakeholder theory, which emphasizes that effective monitoring mechanisms promote broader stakeholder engagement and accountability (Freeman *et al*., 2010). The study underlined that effective monitoring requires integrating technology systems with human resource capabilities and stakeholder engagement mechanisms.

Uwera and Wanjiku's (2023) study of Income-Generating Activities projects in Rwanda supports the view that successful M&E practices lead to project success by highlighting the beneficial effects of M&E planning procedures, staff knowledge, and monitoring reports. Using a descriptive survey design with 156 project beneficiaries and 78 project staff, their study found that systematic monitoring procedures greatly improved project results and the attainment of quality requirements. NGOs with thorough monitoring systems had 35% higher beneficiary retention rates and 42% fewer implementation issues. Rumenya and Kisimbi (2020) found a favorable correlation between project successes and M&E organizational structure, staff M&E skills, and M&E strategies in their study of

Mombasa County NGOs' educational initiatives. Examining 67 education NGOs, they discovered that organizations with specialized M&E structures maintained closer contacts with beneficiary communities while achieving 48% better project outcomes. This conclusion shows the significance of institutional commitment to monitoring through organizational structures and specialized resources, consistent with agency theory's emphasis on monitoring as a mechanism for reducing information asymmetry (Jensen & Meckling, 1976).

Eremugo and Okoche (2021) demonstrated that program performance showed favorable correlations with standard M&E operations and M&E information consumption in their study of Global Aim Uganda. Their case study offered in-depth insights into how monitoring systems operate within complex organizational environments, showing that effective monitoring requires both systematic data collection and strategic use of monitoring information for decision-making. Organizations with the best performance levels maintained integrated monitoring systems that included regular data gathering, analysis, and feedback mechanisms. Research conducted in Kiambu County, Kenya, by Njiru and Thoronjo (2024) confirmed the significance of stakeholder participation during M&E operations. Participatory monitoring techniques greatly improved project sustainability and community ownership across 89 community development initiatives. NGOs who integrated beneficiary feedback into monitoring systems saw a 52% increase in project sustainability rates and maintained closer ties with the community after project completion. These findings strongly align with stakeholder theory, which holds that organizations must consider the interests of all stakeholders to sustain long-term operational effectiveness (Laplume *et al*., 2008).

Humphrey (2021) examined volunteer-based monitoring and evaluation systems at AMREF Health Africa in Nairobi, Kenya, finding that staff expertise, stakeholder involvement, and funding allocation systems all influenced project achievement. Using 234 health initiatives and a mixed-methods approach, the study found that integrating technology capabilities with organizational support systems is essential to assessing effectiveness. Effective monitoring systems required sufficient funds, qualified staff, and methodical stakeholder participation to attain the best outcomes. Research findings

repeatedly show that monitoring is a key factor in determining NGO project performance across various settings and industries. Studies by Aga (2022), Uwera and Wanjiku (2023), and Rumenya and Kisimbi (2020) consistently show that systematic monitoring techniques greatly improve project outcomes by enhancing organizational learning, stakeholder participation, and implementation quality. These results imply that investing in thorough monitoring systems greatly improves project performance, stakeholder satisfaction, and organizational effectiveness for NGOs operating in Kenya's arid and semi-arid regions.

2.3.4 Control Environment and its Effect on NGO Project Performance

Research demonstrates that well-designed and managed control environments improve NGO project performance by offering crucial organizational underpinnings for efficient operations. Oyedokun and Felejaye (2021) examined the effects of control environments on financial organizational outcomes in their study of Nigerian NGOs. Using multiple regression analysis on 156 NGOs, they found that organizational culture, management philosophy, and governance structures explained 43% of the variance in financial performance metrics. Strong control environments helped organizations achieve 36% better financial accountability ratings while maintaining closer ties with financing partners and regulatory bodies. These findings align with agency theory, which identifies the control environment as the organizational foundation within which agent behavior is shaped and monitored (Jensen & Meckling, 1976).

Muli and Musau (2022) investigated humanitarian NGOs in Nairobi City County, Kenya, discovering that internal control systems, of which the control environment is a crucial component, play a major role in financial management. Using 98 humanitarian organizations and descriptive and correlational research approaches, their study showed that control environment characteristics had a significant impact on organizational effectiveness across multiple performance measures. NGOs with strong organizational cultures prioritizing responsibility and integrity experienced 32% fewer compliance problems and 45% higher donor satisfaction rates. These results highlight how crucial it is to build organizational frameworks that encourage moral behavior and efficient governance in challenging humanitarian situations. According to Andove's (2019) study of faith-based institutions in Kakamega County, Kenya, comprehensive internal controls

through organizational frameworks produced better financial outcomes. Examining 76 faith-based NGOs, the study found that elements of the control environment, including organizational structure, human resource practices, and leadership commitment, greatly improved financial management efficacy.

Tuwei (2021) examined Level 5 public hospitals in Nairobi County, finding that efficient control environments improved performance while highlighting the need for thorough evaluation of internal control components for balanced implementation. Though carried out in healthcare environments, the study offered insightful information applicable to NGO operations, particularly regarding the connection between organizational culture and performance outcomes. The study found that while robust control settings improved service delivery quality, poorly executed control measures actually hampered organizational performance. This conclusion highlights the significance of contextual adaptability and balanced deployment of control environment elements. Odhiambo and Maende (2023) discovered that internal controls had a considerable positive impact on resource mobilization in their study of 134 development NGOs in Nairobi County. Control environment characteristics greatly improved organizational capacity for resource acquisition and management. NGOs with robust control settings maintained 35% better relationships with funding partners and had 48% higher grant application success rates. These results align with resource dependence theory, which emphasizes that effective control environments enable organizations to manage external resource dependencies and sustain operational stability (Casciaro & Piskorski, 2005).

Mugabo *et al*. (2022) demonstrated through their study of World Vision Kigali in Rwanda that coordinated efforts between risk assessment systems, monitoring mechanisms, and control environment components lead to NGO operational effectiveness. Competent human resources, strong organizational culture, and efficient governance structures produced synergistic effects that greatly increased project delivery effectiveness. Integrated control systems outperformed individual control components deployed in isolation, highlighting the systemic character of organizational success. Numerous studies conducted across various African contexts have repeatedly shown that the control environment is a key component of NGO project performance and organizational

effectiveness. Studies by Oyedokun and Felejaye (2021), Muli and Musau (2022), and Odhiambo and Maende (2023) consistently show that organizational culture, leadership commitment, and governance structures significantly influence stakeholder relationships, staff behavior, and decision-making processes. These findings show that investing in control environment development can greatly improve project performance, organizational credibility, and sustainable operations for NGOs in Kenya's arid and semi-arid regions.

2.4 Summary of research gaps

According to the findings of the review of pertinent literature, four key variables are engaged in the process of internal financial control. These variables include control activities, risk assessment, monitoring, and control environment. There is a conceptual gap because no study has completely examined how control activities, risk assessment, monitoring, and control environment collectively influence the performance of NGO projects. This is a significant omission in the research. Existing research investigates each of these aspects separately. Ahmed and Nganga (2019) researched internal controls in general. Dagane and Kihara (2021) concentrated on financial controls. Chege and Bowa (2020) analyzed monitoring systems. Areghan *et al*. (2022) investigated the control environment in isolation. According to existing studies, which focus on urban contexts such as Nairobi County and Accra, there is a contextual gap because no research specifically addresses NGOs in Kenya's arid and semi-arid regions.

A methodological gap is evident because previous studies used limited approaches. Dagane and Kihara (2021) used only quantitative surveys. Ahmed and Nganga (2019) used correlational design without providing qualitative explanations. Chege and Bowa (2020) conducted quantitative analysis without contextual understanding. No single study integrates qualitative and quantitative data to encompass both operational and strategic perspectives. This study addressed these conceptual, contextual, and methodological limitations. It examined the integrated influence of all four internal financial control factors on NGO project performance in Kenya's arid and semi-arid regions, utilizing a mixed-methods methodology.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The chapter outlines the research techniques used to investigate how internal financial control components affect non-governmental organization projects' performance in Kenya's semi-arid and desert regions. To address the four research objectives of investigating how control activities, risk assessment, monitoring, and control environment impact NGO project performance, the methodology employs a mixed-methods approach, combining quantitative data collection through questionnaires given to middle and lower-level management with qualitative data collection through structured interviews with top-level management. By conducting a census of all 29 NGOs with operational experience in Kenya's arid and semi-arid regions, our methodological approach fills in recognized research gaps and guarantees data collection from organizations with pertinent knowledge in administering internal controls under difficult circumstances. In order to create a cohesive framework that will yield trustworthy results to address the research questions, the chapter methodically presents the research design, target population, sampling procedures, research instruments, data collection procedures, validity and reliability measures, data analysis techniques, and ethical considerations.

3.2 Research Philosophy

The study's pragmatic research philosophy provided the best foundation for examining how internal financial control components affect the effectiveness of non-governmental organization initiatives in Kenya's arid and semi-arid regions. Since pragmatism acknowledges that both quantitative and qualitative approaches provide valuable and complementary insights to research difficulties, it is particularly suitable for studies that require several points of view to tackle complex phenomena (Creswell & Plano Clark, 2017). The pragmatic mindset supported the convergent parallel mixed-methods design employed in this study, which enabled the simultaneous collection and analysis of quantitative data from questionnaire respondents and qualitative data from interview participants. This philosophical approach allowed the study to quantitatively measure the effects of control activities, risk assessment, monitoring, and control environment on

project performance while qualitatively examining the contextual factors and managerial perspectives that affect internal financial control effectiveness in challenging arid and semi-arid operational environments.

3.3 Research Design

Research design is a framework for developing remedies to examiner concerns (Rahi, 2017). The design serves as a comprehensive framework for data collection, measurement, and analysis (Creswell, 2014). This study employed a convergent parallel mixed-methods design, which combines quantitative and qualitative research paradigms. According to Creswell and Plano Clark (2017), convergent parallel design entails collecting and analyzing quantitative and qualitative data concurrently, with equal priority given to both datasets, followed by merging results during interpretation to provide a comprehensive understanding of the research problem.

The convergent parallel mixed-methods design was appropriate for this study because it allowed for the triangulation of findings from many data sources, hence increasing the validity and reliability of conclusions about internal financial control aspects and NGO project outcomes. The quantitative component involved data collection through standardized questionnaires issued to middle and lower-level management staff from selected NGOs working in arid and semi-arid regions. This quantitative strand collected objective statistical data on the relationships between internal financial control factors (control activities, risk assessment, monitoring, and control environment) and project performance outcomes using descriptive and inferential statistical analysis, such as correlation and regression tests.

Simultaneously, the qualitative component conducted structured interviews with top-level management to gain detailed insights into contextual elements, managerial processes, and organizational experiences that influenced the effectiveness of internal financial controls in difficult operational environments. The content analysis of qualitative data revealed patterns, themes, and contextual aspects that explained quantitative findings and provided a richer understanding than statistical relationships.

The convergence happened during the interpretation phase, when quantitative and qualitative findings were compared, contrasted, and integrated to establish broad

conclusions regarding how internal financial control elements influenced NGO project success in Kenya's dry and semi-arid regions. This triangulation methodology strengthened the study's validity by validating findings across diverse data sources and methodological perspectives, allowing the researcher to make solid evidence-based suggestions for improving NGO performance through stronger internal financial control systems.

3.4 Target Population

The term target population refers to the total set of individuals or items that a study seeks to analyze or draw conclusions about (Cooper & Schindler, 2014). Research findings are limited to the specific group for which the obtained data and analysis results are appropriate (Dahabreh *et al*., 2020). The study's target population consisted of projects undertaken by non-governmental organizations in Kenya's arid and semi-arid districts. According to the Public Benefit Organisations Regulatory Authority (2025), Kenya had around 14,000 registered non-governmental organisations (NGOs). Among these, 111 non-governmental organizations (NGOs) worked on humanitarian and development initiatives in Kenya's arid and semi-arid regions. These organizations operated in counties including Turkana, Marsabit, Mandera, Wajir, Garissa, Isiolo, Samburu, West Pokot, Baringo, Laikipia, Kitui, Makueni, Kajiado, and Narok.

The study concentrated on programs carried out by 29 NGOs that were members of the ASAL Humanitarian Network. This focus was guided by strategic and methodological reasons. These organizations were chosen based on specific eligibility criteria such as a minimum of two years of continuous operations in ASAL countries, active implementation of multi-sectoral projects, donor funding requirements that require adherence to structured financial reporting standards, formal registration with national regulatory bodies, and logistical accessibility for research engagement. The AHN member organizations were ideal for this study because they were community-based, policy-engaged, and operationally present in over 14 ASAL counties, ensuring solid institutional memory and consistency in financial operations. Their cumulative experience navigating tough humanitarian circumstances characterized by restricted infrastructure, resource shortages, and climate-related risks made them perfect candidates for studying internal financial management systems in high-risk scenarios.

Furthermore, the AHN's established coordination and accountability processes provided a reasonably uniform operational platform, improving the internal validity and comparability of findings across cases. Thus, these 29 non-governmental organizations (NGOs) provided a focused yet appropriately representative sample of players driving humanitarian and development activities in Kenya's ASAL districts, aligning well with the study's objectives on financial control and project effectiveness.

The projects undertaken by these 29 NGOs differed in terms of sector focus (healthcare, education, water and sanitation, agriculture, emergency response, and community development), implementation period, budget size, and target beneficiaries. The implementing organizations ranged from tiny local groups like TUPADO (Turkana Pastoralist Development Organization) and the Pastoralist Girls Initiative to national entities like RACIDA and PACIDA. These projects were carried out by businesses with operational experience in arid and semi-arid environments ranging from two to more than twenty years, providing a variety of perspectives on the efficiency of internal financial controls across different organizational maturity levels.

Local Kenyan NGOs such as PACIDA (Pastoralist Community Initiative and Development Assistance), ALDEF (Arid Lands Development Focus), WASDA (Wajir South Development Association), and ASDEF (Arid Lands Stakeholders Development Forum) worked alongside regional actors such as RACIDA (Rural Agency for Community Development and Assistance), SAPCONE, and NAPAD to implement the project. These organizations' projects faced unique operational challenges such as harsh environmental conditions, limited infrastructure, dispersed populations, and frequent emergencies that necessitated adaptable management approaches, making internal financial control factors especially important for project success.

Data collection participants included staff members from these 29 NGOs who were directly involved in project implementation and management at three levels: top-level management (executive directors, country directors, and program managers); middle-level management (finance managers and project coordinators); and lower-level management (field officers, finance officers, and monitoring and evaluation officers). This population had relevant experience and knowledge about how organizational internal financial control factors

affected project performance outcomes in challenging operational environments, providing valuable insights into the relationship between organizational controls and project success in arid and semi-arid contexts.

3.5 Sample size and Sampling Procedures

A population has many individuals; however, a sample is made up of a small number of members taken from that population. According to Guetterman (2019), a sample is a partial delineation of a larger population of interest. Sampling protocols govern the selection process for this small group, ensuring that it reflects the total population. Depending on the research aims and demographic characteristics, many sampling strategies can be used, including random sampling, stratified sampling, and convenience sampling (Mweshi & Sakyi, 2020). This study includes all programs carried out by 29 Non-Governmental Organizations (NGOs) working in arid and semi-arid areas of Kenya and registered with the ASAL Humanitarian Network (AHN), resulting in a census rather than a sample.

A census technique was acceptable since the target population of the 29 NGOs' initiatives was small and controllable in scope, allowing for complete data collecting that improved the validity, accuracy, and generalizability of findings (Cooper and Schindler, 2014). By including all projects executed by these NGOs, we avoided sample bias and assured full coverage of organizations with relevant operational expertise in internal financial control practices within tough ASAL situations. Because initiatives were conducted and maintained by NGO staff, data collecting included representatives from all 29 NGOs. Each organization contributed five middle and lower-level management staff for quantitative data collection and one top-level manager for qualitative interviews.

The choice of five employees per NGO was justified for a number of reasons: first, it guaranteed sufficient representation across key operational functions, such as finance, project coordination, field operations, monitoring, and evaluation; second, it offered a sufficient sample size for robust quantitative analysis while remaining feasible for data collection logistics; third, it accommodated NGOs of different organizational sizes by concentrating on crucial project implementation roles; and fourth, it captured a variety of experiences of staff members directly involved in financial control activities.

Finance managers, project coordinators, field officers, finance officers, and monitoring and evaluation officers were available to collect quantitative data via standardized questionnaires. Meanwhile, top-level managers from each NGO (executive directors, country directors, or program managers) took part in qualitative interviews to provide strategic insights into internal financial control mechanisms and their impact on project success. This technique yielded 29 interview participants and 145 questionnaire responses, totaling 174 research participants with the practical knowledge and field experience required to provide meaningful insights into internal control practices in ASAL-based project environments.

Table 3.1: Sample Size

Respondent Category	Respondents per NGO	Total NGOs	Total Respondents
Top-level Management	1	29	29
Middle and Lower-level Management	5	29	145
Total	**6**	**29**	**174**

3.6 Description of Research Instruments

The study gathered quantitative and qualitative data to thoroughly investigate the relationship between internal financial control elements and NGO project performance. Quantitative data were required to establish statistical relationships between variables and test research hypotheses, whereas qualitative data provided contextual understanding and deeper insights into organizational practices and managerial perspectives that could not be captured solely through numerical measurements.

The study used two primary data collection tools: structured questionnaires and interview guides. Structured questionnaires were utilized to collect quantitative data from 145 middle and lower-level management professionals from 29 non-governmental organizations (NGOs). These respondents included finance managers, project coordinators, field officers, finance officers, and monitoring and evaluation officers who had hands-on expertise with internal financial control systems and project implementation. The questionnaire was acceptable for this group because it permitted standardized data collection across numerous

organizations, simplified statistical analysis, and allowed for efficient data collection from a large number of respondents with similar operational tasks.

The questionnaire had ten sections that measured the research variables using 5-point Likert scales. Section A collected demographic data, while Sections B–F assessed control activities (Seven items), risk assessment (Seven items), monitoring (Seven items), control environment (7 things), and project performance (Seven items), respectively. Sections G through J also measured control variables that could influence project performance without relying on internal financial controls. Section G assessed project budget considerations (7 elements), including budget size, financing sufficiency, budget limits, multi-year funding, flexible allocations, donor needs, and budget availability. Section H assessed infrastructure quality (7 elements), which included road networks, communication systems, banking facilities, electricity availability, water infrastructure, and transit problems. Section I evaluated security circumstances (Seven items), which included security difficulties, insecurity, conflicts, banditry, intercommunal tensions, and security protocols. Section J assessed staff experience using seven factors, including project experience, local understanding, cultural knowledge, technical expertise, and training efficacy. This tool produced quantitative data to investigate the links between internal financial control elements and project performance outcomes while accounting for external environmental influences.

Interview guidelines were used to collect qualitative data from 29 top-level managers (one from each NGO), including executive directors, country directors, and program managers responsible for internal control systems and project performance. Semi-structured interviews were acceptable for this group because they allowed for in-depth study of organizational processes, the capturing of contextual factors influencing control efficacy, and extensive descriptions of managers' experiences and methods. The interview guide included 15 open-ended questions covering all study variables, including control variables, allowing managers to share insights about challenges, successes, and recommendations for improving internal financial controls in ASAL contexts while also discussing how external factors influenced their operations. Both tools were obtained from literature and

specifically developed for NGOs operating in Kenya's arid and semi-arid areas. They were validated through pilot testing before the primary data collection.

3.7 Data Collection Procedures

According to Vandenplas and Loosveldt (2019), researchers employ systematic methods to obtain survey information from research participants during their investigation. Data collection followed a systematic approach to ensure quality and consistency across all 29 NGOs. The process involved both quantitative data collection through questionnaire administration and qualitative data collection through interview conduct, implemented concurrently as required by the convergent parallel mixed-methods design.

Pre-data collection procedures began with obtaining necessary approvals from the Catholic University of Eastern Africa, research supervisors, and the National Commission for Science, Technology and Innovation (NACOSTI) for legal authorization to conduct research in Kenya. Following institutional approvals, the researcher contacted executive management of each of the 29 NGOs to request organizational consent and schedule data collection activities. Formal introduction letters were provided to each organization explaining the research purpose, methodology, and expected benefits.

Quantitative data collection was conducted through self-administered questionnaires distributed to approximately 145 middle and lower-level management staff across the 29 NGOs. The researcher coordinated with NGO management to establish convenient collection points or utilized trained local research assistants in different regions to distribute questionnaires to finance managers, project coordinators, field officers, finance officers, and monitoring and evaluation officers. Where face-to-face distribution was not feasible, questionnaires were sent electronically or through postal services with follow-up telephone calls to ensure completion. This approach ensured high response rates, allowed for clarification of questions, and enabled timely collection of completed questionnaires. Respondents were given 30-45 minutes to complete the questionnaires, with support available to address any queries while maintaining neutrality.

Qualitative data collection was conducted through semi-structured interviews with 26 top-level managers from the participating NGOs. The researcher conducted interviews with executive directors, country directors, or program managers through face-to-face meetings

where possible, or via telephone/video calls for remote locations, to ensure consistency in questioning and probing techniques. Each interview lasted 45-60 minutes with detailed notes taken to capture complete responses. Interview scheduling was coordinated with organizational management to minimize disruption to operations.

Quality control procedures included training research assistants in questionnaire administration, pre-testing instruments in pilot organizations, obtaining informed consent from all participants, maintaining confidentiality and anonymity, and conducting immediate data verification to detect incomplete responses. All data gathering activities followed ethical requirements. The research team maintained professional conduct throughout the process, ensuring little disturbance to organizational operations while gathering thorough data to satisfy the research objectives.

3.8 Operationalization of variables

The operationalization of variables table presents how each study variable was measured, including the type, measures, and scale of measurement. Table 3.2 presents the operationalization of variables for the study.

Table 3.2: Operationalization of Variables

Variable	Type	Measure	Scale
Control Activities	Independent	Approval Processes	Likert Scale
		Segregation of Duties	Likert Scale
		Internal Audit	Likert Scale
Risk Assessment	Independent	Risk Identification	Likert Scale
		Risk Analysis and Evaluation	Likert Scale
		Risk Mitigation Strategies	Likert Scale
Monitoring	Independent	Progress Tracking	Likert Scale
		Resource Utilization	Likert Scale
		Stakeholder Engagement	Likert Scale
Control Environment	Independent	Governance Structure	Likert Scale
		Organizational Culture	Likert Scale
		Operating Style	Likert Scale
Project Budget Factors	Control	Budget Size	Likert Scale
		Funding Adequacy	Likert Scale
		Budget Flexibility	Likert Scale
Infrastructure Quality	Control	Road Network Accessibility	Likert Scale
		Communication Systems	Likert Scale
		Energy Access	Likert Scale
Security Conditions	Control	Security Level	Likert Scale
		Staff Movement Constraints	Likert Scale
		Community Tensions	Likert Scale
Staff Experience	Control	Local Knowledge	Likert Scale
		Technical Expertise	Likert Scale
		Cultural Understanding	Likert Scale
Performance of Projects	Dependent	Completion Rate	Likert Scale
		Quality Standards Achievement	Likert Scale
		Financial Efficiency	Likert Scale

3.9 Pilot Study

A pilot study is a smaller-scale version of the main study used to refine the apparatus and research design (Kombo & Tromp, 2009; Kothari, 2004). This study used 18 respondents, representing 10% of the total sample size of 174, for pilot testing, applying the 10% rule of thumb (Cooper & Schindler, 2014). Three top-level managers and fifteen middle- and lower-level management workers from three NGOs participated in the pilot survey. These

included Finance Officers (3), Project Coordinators (3), Field Officers (3), M&E Officers (3), Finance Managers (3), and Executive Directors/Program Managers (3) working on projects in Kenya's arid and semi-arid regions across humanitarian relief, agricultural development, water and sanitation, and community development initiatives.

The 18 pilot study respondents were drawn from three NGOs that were not part of the 29 AHN member organizations constituting the study's target population. Following standard research practice, pilot study participants were not included in the main study to avoid response bias and prevent the double counting of data, which would compromise the integrity and independence of the final dataset (Cooper & Schindler, 2014).

This thorough piloting approach tested both data collection instruments, structured questionnaires and semi-structured interview guides, to assess their validity and reliability, estimate time requirements, identify logistical challenges, and refine data analysis techniques. NGO projects carried out in Kenya's arid and semi-arid regions represent the unit of analysis, while finance officers, project coordinators, field officers, M&E officers, finance managers, and top-level management individuals comprise the unit of observation.

3.9.1 Validity

The study thoroughly examined the research instruments' content and construct validity to ensure that they appropriately measured the targeted concepts. Content validity was addressed through a thorough review approach, which included supervisors examining the thesis preparation to ensure that the questionnaire questions and interview guides adequately covered the topic area. The supervisors verified that the queries were genuine. During the pilot study, the three top-level managers who participated also contributed to content validity by confirming that the interview questions covered all aspects of internal financial control relevant to NGO activities in ASAL areas.

Construct validity was assessed using factor analysis, a statistical method for examining interrelationships between variables and interpreting them in terms of a reduced number of factors. Factor analysis was carried out on all items for each research variable in accordance with Comrey and Lee's (2013) definition and Cooper and Schindler's (2014) criteria, which

specify that factor loadings less than 0.4 are unacceptable. Furthermore, Mabert *et al*. (2003) advocate deleting statements with Eigen values less than 0.4. This technique helped to identify any linked variables and eliminate data redundancy. The results of the factor analysis for all study variables are presented in chapter four

3.9.2 Reliability

According to Cronbach (1951), reliability is the degree to which an instrument measures consistently under the same circumstances with similar participants. The Cronbach alpha coefficient, a gauge of the internal consistency of the questionnaire's items, was computed by the researcher to guarantee reliability (Carmines & Zeller, 1979). A Cronbach alpha of 0.7 or above was considered acceptable in this study

3.10 Data Analysis Procedures

Data analysis processes involve turning raw data into a legible format that can be processed, analyzed, and used (Chakravarthy & Jiang, 2009). Prior to conducting data analysis, the researcher evaluated all returned surveys for errors, incomplete responses, and outliers. Instruments that did not meet the minimum completeness requirement for analysis were to be excluded from the dataset. The response rate results and the number of usable instruments are presented in Chapter Four under Section 4.1.1. The qualitative data from interviews was analyzed using content analysis and presented thematically. The quantitative data was analyzed using SPSS Version 29. Descriptive and inferential statistics were implemented in quantitative data analysis.

Descriptive statistics, including frequencies, percentages, means, and standard deviations, were employed to summarize the respondent characteristics and variable distributions. Correlation analysis was implemented to investigate the relationships between variables. Multiple regression analysis was implemented to determine the relationships between internal financial control parameters and project success. Aside from internal financial control factors, many project-specific aspects may have an impact on project performance. Project factors such as budget size, length, and sector focus may result in varying implementation requirements and resource needs, which directly impact outcomes. Implementation context elements such as infrastructure accessibility, security

circumstances, and government participation may shape the operational environment in which initiatives succeed or fail.

Staff experience in specific regions, technical expertise alignment, and local community contacts are all potential indicators of an organization's ability to handle challenges and deliver results efficiently. Without controlling for these project-specific variables, the study may suffer from omitted variable bias, attributing performance differences to financial controls when they were actually caused by contextual or capacity issues. The study determined the actual impact of internal financial control elements on project success while accounting for the operational realities that NGOs encountered in arid and semi-arid environments by using these attributes as control variables. Multiple regression analysis examined the relationship between the dependent variable (project performance) and the independent variables (control activities, risk assessment, monitoring, and control environment) while accounting for project-specific aspects. The enlarged regression model was:

$$\text{Project Performance} = \beta_0 + \beta_1(\text{Control Activities}) + \beta_2(\text{Risk Assessment}) + \beta_3(\text{Monitoring}) + \beta_4(\text{Control Environment}) + \beta_5(\text{Project Budget}) + \beta_6(\text{Infrastructure Quality}) + \beta_7(\text{Security Level}) + \beta_8(\text{Staff Experience}) + \varepsilon$$

Where:

Project Performance = Dependent variable measured by completion rates, quality standards achievement, cost-effectiveness, community needs addressed, beneficiary satisfaction, KPI achievement, and stakeholder expectations. Control Activities = Independent variable measured by approval processes, segregation of duties, internal audit, fraud detection systems, documentation, and authorization levels. Risk Assessment = Independent variable measured by risk identification, analysis and evaluation, mitigation strategies, assessment timing, updates, and ASAL-specific considerations. Monitoring = Independent variable measured by progress tracking, resource utilization, stakeholder engagement, performance indicators, review frequency, and improvement guidance.

Control Environment = Independent variable measured by governance structure, organizational culture, operating style, accountability culture, ethical leadership, and staff training. Project Budget = Control variable measuring budget size impact on performance

outcomes. Infrastructure Quality = Control variable measuring infrastructure accessibility impact on performance. Security Level = Control variable measuring security conditions impact on performance. Staff Experience = Control variable measuring staff experience impact on performance. β_0 = Constant term. β_1, β_2, β_3, β_4 = Regression coefficients for main independent variables indicating magnitude and direction of relationships. β_5, β_6, β_7, β_8 = Regression coefficients for project-specific control variables. ε = Error term.

Diagnostic tests were conducted to test regression assumptions before analysis. Normality testing used Kolmogorov-Smirnov and Shapiro-Wilk tests to ensure data followed normal distribution. Linearity testing used scatterplots to examine linear relationships between variables. Multicollinearity testing used Variance Inflation Factor (VIF) values, with VIF < 10 indicating acceptable levels. Qualitative data analysis employed content analysis to identify themes, patterns, and insights from interview transcripts. Data was coded systematically, grouped into categories, and analyzed to understand contextual factors influencing internal financial control effectiveness. Qualitative findings were integrated with quantitative results during interpretation to provide a comprehensive understanding of the research problem.

3.11 Ethical Considerations

Ethical issues are an important feature of any research project since they assure the rights and well-being of the persons engaged. In this study, the researcher used a set of ethical standards to guide the research process. Prior to participating in the study, individuals were required to submit authorized consent. The participants got a thorough awareness of the research aims, the free-will character of their decision, and the measures for protecting their privacy and anonymity. This metric gave them the ability to correctly decide whether or not to participate in the study. When it came to participant treatment, the study prioritized anonymity and confidentiality. Stored data remained confidential because only the researcher and authorized personnel had access to it, while all participant information was kept secure. The research process protected participant privacy through these safeguards, which also increased confidence between the researcher and the participants.

The research effort placed a special emphasis on upholding the notion of participant voluntariness throughout the investigation. The study gave participants complete flexibility to leave the study at any time without any consequences. This meant they may withdraw

their participation at any time, even if it contradicted their earlier intentions. The study upheld beneficence as a concept by implementing methods that assured participants experienced more beneficial effects than any potential discomfort or hazards associated with their participation.

To uphold the principle of justice, the study process was carried out fairly and without discrimination using appropriate participant selection methods. Prior to the start of the research, the Catholic University of Eastern Africa, its supervisors, and NACOSTI (National Commission for Science, Technology, and Innovation) all approved the study. The study harmonized all research efforts with the academic criteria of the Catholic University of Eastern Africa, as well as the university's ethical standards and Kenyan regulations.

CHAPTER FOUR

DATA ANALYSIS, INTERPRETATION AND DISCUSSION OF FINDINGS

4.1 Introduction

This chapter covers data analysis, interpretation, and discussion of the findings. The chapter presents data on response rates, demographics, descriptive statistics, diagnostic tests, correlation analysis, and regression analysis. It also includes validity and reliability results from the pilot study, which were conducted to ensure the integrity of the research instruments prior to final data collection. The chapter further includes a thorough discussion and interpretation of the findings, investigating the implications of the links between control activities, risk assessment, monitoring, control environment, control variables, and project performance in difficult operational environments. All findings are examined in relation to the theoretical framework, agency theory, stakeholder theory, institutional theory, and resource dependence theory, and the empirical literature reviewed in Chapter Two, to establish whether the results align with or contradict existing theory and prior research.

4.2 Presentation of the Findings

The presentation begins with response rate analysis, followed by demographic information that profiles participating organizations and respondents. Descriptive statistics examine respondent perceptions across all study variables, including the four internal financial control factors, project performance outcomes, and control variables. Diagnostic tests verify that the data meets regression analysis requirements, while correlation analysis establishes relationships between variables. Regression analysis determines the predictive power of internal financial control factors on project performance.

4.2.1 Response Rate

A total of 174 people were targeted in the study, comprising 29 top-level managers from NGOs operating in Kenya's arid and semi-arid areas for qualitative interviews, and 145 middle- and lower-level management staff who were targeted for quantitative questionnaire administration. For the quantitative component, questionnaires were distributed to 145 middle- and lower-level management staff across the 29 participating

NGOs. Of these, 131 properly completed questionnaires were successfully returned, representing a quantitative response rate of 90.34%. The active engagement of finance officers, project coordinators, field officers, monitoring and evaluation officers, and finance managers with direct operational experience with internal financial control systems and project implementation activities is reflected in this response rate. Out of the intended 29 top-level managers, 26 participated in the qualitative component. From the 26 top level managers, 3 were excluded from the final analysis as their responses were part of the pilot thus yielding an interview response rate of 88.5%. Program managers, country directors, and executive directors discussed their strategic viewpoints on project performance outcomes and internal financial control systems.

The response rate was considered adequate, particularly given the challenging study environment, where data collection could be affected by operational demands, geographical remoteness, and security constraints. The research topic's importance to organizational operations and the leadership's recognition of the necessity of comprehending how internal controls affect project effectiveness in arid and semi-arid regions are demonstrated by the significant involvement of both management levels. High response rates improve the reliability of findings and boost confidence that the data accurately represents the experiences of NGOs working in these demanding operational contexts. Staff members' willingness to participate despite operational pressures shows recognition that improving internal control systems could enhance project implementation effectiveness and organizational sustainability.

4.2.2 Demographic Characteristics

The demographic features of the respondents are therefore critical in understanding the profile of NGO staff working in the arid and semi-arid lands of Kenya and their experience with internal financial control systems. Demographic data obtained includes: Educational background, working experience in the NGO sector, current position, length of service in arid and semi-arid areas, organizational sector focus, organizational operational experience, active projects, annual budgets ranges, geographical coverage through counties.

4.2.2.1 Educational Qualification of Respondents

The study examined the educational qualifications of respondents and the findings are displayed in Figure 2.

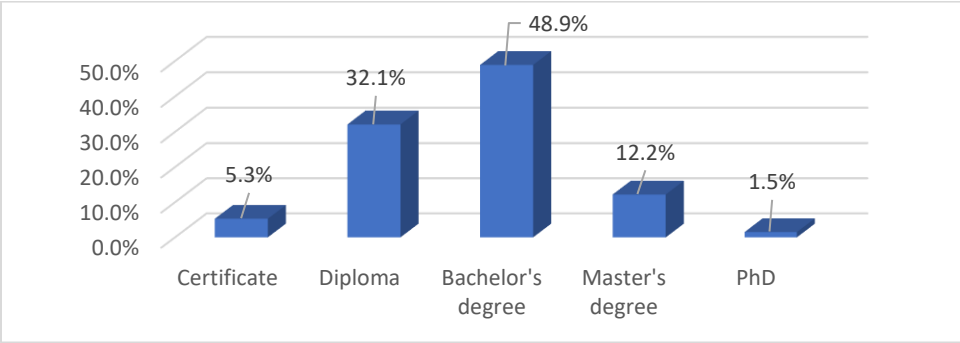


Figure 2: Educational Qualification of Respondents

The results indicate that the highest percentage of respondents are Bachelor's degree holders, with 48.9%, and Diploma holders, with 32.1%. The sample is composed of 12.2% respondents who possess Master's degrees and 5.3% respondents who possess Certificate qualifications. 1.5% of respondents are PhD holders, which is the smallest cohort. This educational distribution illustrates that NGO personnel in arid and semi-arid regions have a significant amount of formal education, with over 61% possessing university-level qualifications and nearly 94% having completed at least post-secondary education. The high educational attainment indicates that these organizations employ qualified personnel who are capable of comprehending and executing sophisticated internal financial control systems. This has significant implications for the efficacy of control mechanisms in difficult operational environments.

4.2.2.2 Years of Experience in the NGO Sector

The study analyzed the years of experience respondents had in the NGO sector and the results are presented in Figure 3.

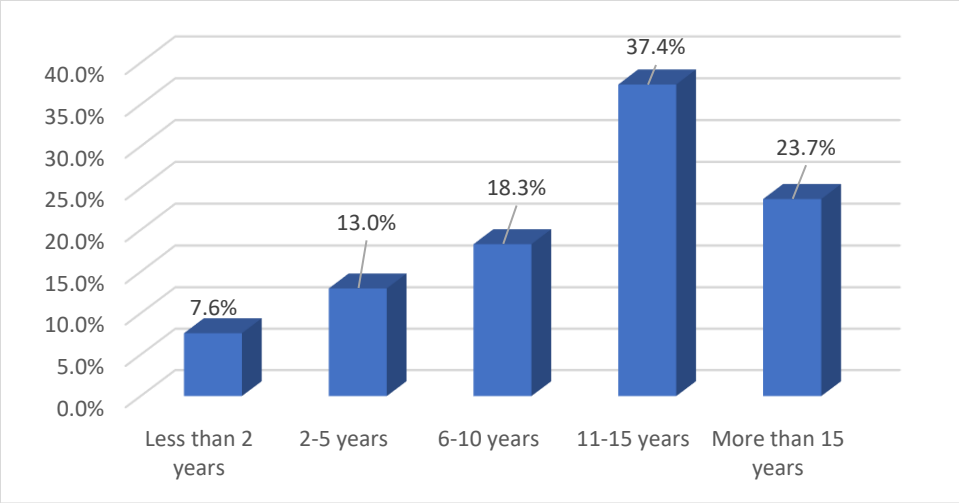


Figure 3: Years of Experience in the NGO Sector

The analysis reveals that respondents with 11-15 years of NGO experience represent the largest group at 37.4%, followed by those with more than 15 years of experience at 23.7%. Staff with 6-10 years of experience constitute 18.3% of the sample, while those with 2-5 years represent 13.0%. Respondents with less than 2 years of experience form the smallest group at 7.6%. This distribution indicates that over 79% of respondents have more than 6 years of NGO experience, with nearly 61% possessing over 10 years of sector experience. The substantial experience levels suggest that respondents possess deep understanding of NGO operations, donor requirements, and the challenges specific to working in development contexts, enhancing the credibility of their perspectives on internal financial control effectiveness.

4.2.2.3 Current Position of Respondents

The study investigated the current positions of respondents and the findings are shown in Figure 4.

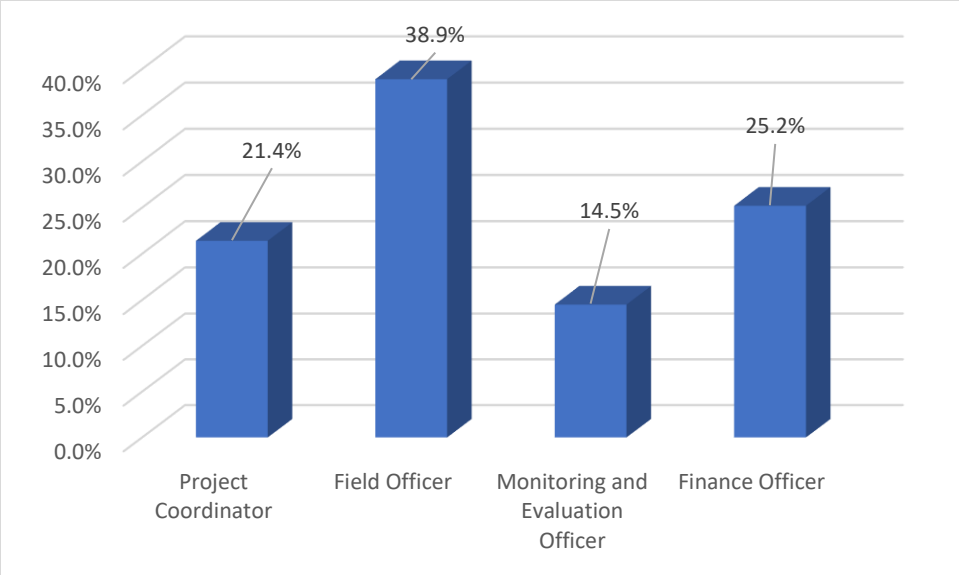


Figure 4: Current Position of Respondents

Field officers constitute the largest group at 38.9% of respondents, followed by Finance Officers at 25.2%. Project Coordinators represent 21.4% of the sample, while Monitoring and Evaluation Officers account for 14.5% of respondents. This distribution reflects the operational structure typical of NGOs working in arid and semi-arid areas, where field implementation and financial management roles are essential for project success. The higher representation of Field Officers indicates the field-intensive nature of NGO operations in these challenging environments, while the substantial representation of Finance Officers demonstrates the critical importance of financial management in these organizations.

4.2.2.4 Years Worked in Arid and Semi-Arid Regions

The study examined how many years respondents had personally worked in arid and semi-arid regions and the results are presented in Figure 5.

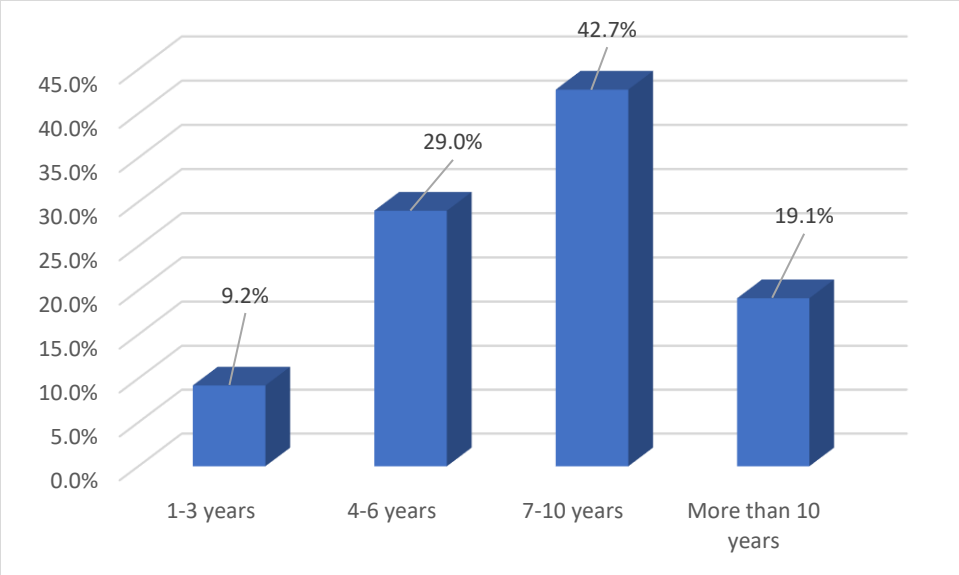


Figure 5: Years Worked in Arid and Semi-Arid Regions

The majority of respondents (42.7%) have worked in arid and semi-arid areas for seven to ten years, followed by those with four to six years of experience (29.0%). 19.1% of the sample consists of employees with more than ten years of area experience, whereas 9.2% of respondents had one to three years. This distribution shows that more than 90% of respondents had worked specifically in arid and semi-arid regions for more than three years, with roughly 62% having more than six years of regional experience. The respondents' extensive regional experience suggests that they are aware of the particular operational difficulties, environmental limitations, and community dynamics that are particular to these regions.

4.2.2.5 Organization's Primary Sector of Focus

The study analyzed the primary sector of focus for participating organizations and the findings are displayed in Figure 6.

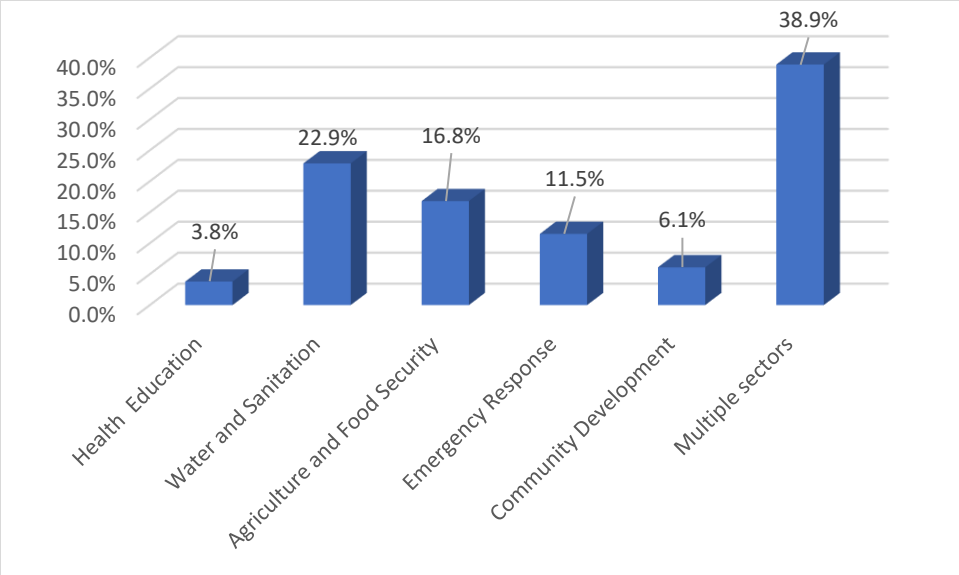


Figure 6: Organization's Primary Sector of Focus

Organizations operating across multiple sectors represent the largest category at 38.9% of respondents, followed by those focused on Water and Sanitation at 22.9%. Agriculture and Food Security organizations account for 16.8% of the sample, while Emergency Response organizations represent 11.5%. Community Development focused organizations constitute 6.1% of respondents, while Health and Education sector organizations represent 3.8% of the sample. The predominance of multi-sectoral organizations reflects the integrated approach necessary for addressing development challenges in arid and semi-arid areas, where water scarcity, food insecurity, and emergency response needs often intersect.

4.2.2.6 Organizational Operational Experience in Arid and Semi-Arid Areas

The study examined how many years participating organizations had operated in arid and semi-arid areas and the results are shown in Figure 7.

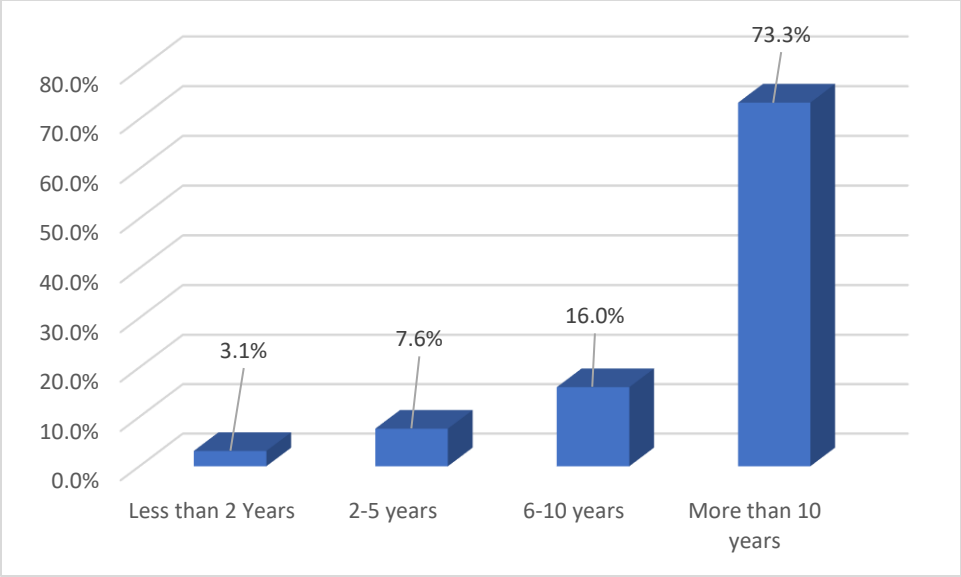


Figure 7: Organizational Operational Experience in Arid and Semi-Arid Areas

Organizations with more than 10 years of operational experience in arid and semi-arid areas represent the overwhelming majority at 73.3% of respondents. Organizations with 6-10 years of experience account for 16.0% of the sample, while those with 2-5 years represent 7.6%. Organizations with less than 2 years of experience constitute only 3.1% of respondents. This distribution indicates that the vast majority of participating organizations possess substantial institutional memory and operational expertise specific to arid and semi-arid environments. The concentration of organizations with over 10 years of experience suggests well-established operational systems and mature relationships with local communities.

4.2.2.7 Number of Active Projects Currently Implemented

The study investigated how many active projects participating organizations currently implement and the findings are presented in Figure 8.

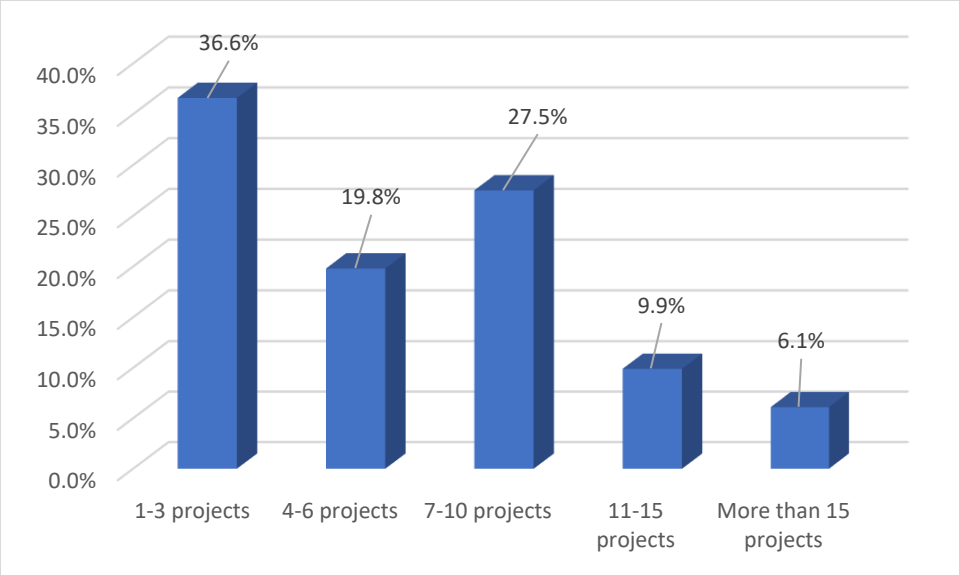


Figure 8: Number of Active Projects Currently Implemented

Organizations implementing 1-3 projects represent the largest group at 36.6% of respondents, followed by those managing 7-10 projects at 27.5%. Organizations with 4-6 active projects constitute 19.8% of the sample, while those implementing 11-15 projects account for 9.9%. Organizations managing more than 15 projects represent 6.1% of respondents. This distribution demonstrates that most organizations maintain relatively focused project portfolios, with over 56% implementing 6 or fewer projects simultaneously. The concentration of organizations with smaller project portfolios may reflect resource constraints or strategic decisions to maintain manageable implementation scales in challenging environments.

4.2.2.8 Organizational Annual Budget

The study analyzed the approximate annual budget of participating organizations and the results are displayed in Figure 9.

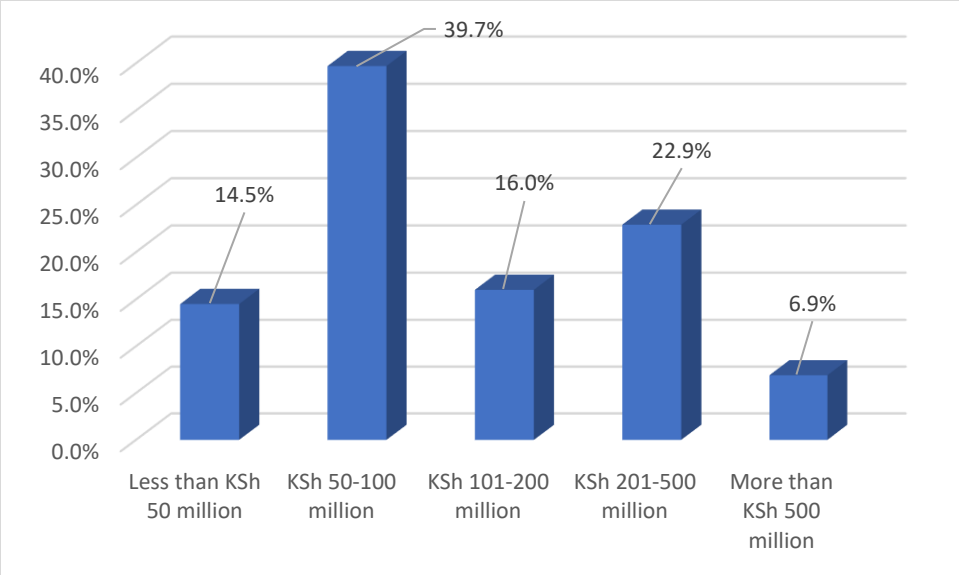


Figure 9: Organizational Annual Budget

Organizations with annual budgets between KSh 50-100 million represent the largest group at 39.7% of respondents, followed by those with budgets of KSh 201-500 million at 22.9%. Organizations with budgets of KSh 101-200 million account for 16.0% of the sample, while those with budgets below KSh 50 million represent 14.5%. Organizations with budgets exceeding KSh 500 million constitute 6.9% of respondents. This distribution shows that most participating organizations operate with substantial annual budgets, with over 85% managing budgets above KSh 50 million. The significant financial resources managed by these organizations underscore the importance of robust internal financial control systems for ensuring accountability and maintaining donor confidence.

4.2.2.9 Geographical Coverage Across Counties

The study examined how many counties participating organizations operate in and the findings are shown in Figure 10.

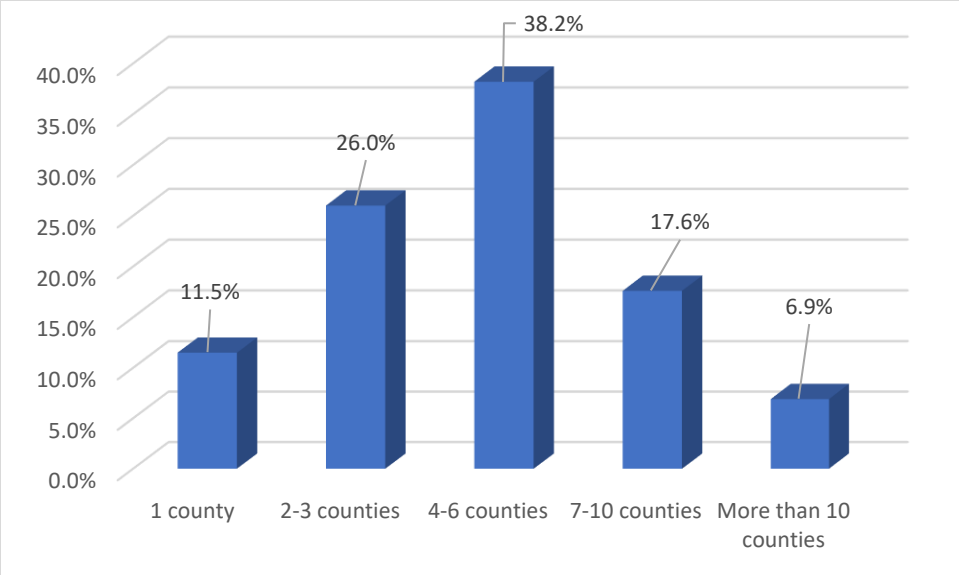


Figure 10: Geographical Coverage Across Counties

Organizations operating in 4-6 counties represent the largest group at 38.2% of respondents, followed by those working in 2-3 counties at 26.0%. Organizations with operations in 7-10 counties account for 17.6% of the sample, while those operating in single counties represent 11.5%. Organizations with presence in more than 10 counties constitute 6.9% of respondents. This distribution indicates that most organizations maintain multi-county operations, with over 88% working across multiple counties and nearly 62% operating in 4 or more counties. The multi-county operational scope reflects the regional nature of development challenges in arid and semi-arid areas and suggests that organizations must manage internal financial controls across diverse geographical contexts.

4.2.3 Reliability and Validity of the Final Data

The reliability and validity of the data were investigated. Cronbach's alpha coefficients were recomputed for all nine constructs to ensure the internal consistency of the measurement scales utilized in the final study. In this study, a Cronbach alpha of 0.7 or higher was judged appropriate. Construct validity was tested using factor analysis, and all factor loadings exceeded the 0.4 threshold set by Mabert, Soni, and Venkataramanan (2003), indicating strong construct validity across all variables. Table 4.1 shows the reliability results for the final study data.

Table 4.1: Reliability Results for Final Study Data

Variable	Number of Items	Cronbach's Alpha	Comment
Control Activities	7	0.883	Reliable
Risk Assessment	7	0.791	Reliable
Monitoring	7	0.914	Reliable
Control Environment	7	0.756	Reliable
Performance of Projects	7	0.872	Reliable
Project Budget Factors	7	0.938	Reliable
Infrastructure Quality	7	0.809	Reliable
Security Conditions	7	0.861	Reliable
Staff Experience	7	0.743	Reliable

Table 4.1 shows that Cronbach's alpha coefficients for control activities, risk assessment, monitoring, control environment, project performance, project budget factors, infrastructure quality, security conditions, and staff experience were all greater than 0.7, indicating reliability for the final analysis. Taber (2018) argues that Cronbach's alpha values should not be less than 0.7. Golafshani (2003) recommends that Cronbach alpha not be less than 0.7, however Gliem and Gliem (2003) urge that Cronbach alpha be greater than 0.7. As a result, all of the study's variables are regarded credible. Tables 14-22 offer the construct validity results, which reveal factor loadings for each statement across all nine variables in the final study data.

Table 4.2: Factor Analysis for Control Activities of the Final Data

Statements	Factor Loadings
Our organization has clear approval processes for financial transactions	0.623
There is adequate segregation of duties in financial management roles	0.741
Internal audits are conducted regularly to verify compliance with policies	0.892
Our fraud detection systems are ineffective in identifying irregularities	0.719
Financial policies and procedures are well-documented and accessible	0.583
Control activities are rarely updated to address emerging risks	0.812
Authorization levels for financial decisions are clearly defined	0.756

Table 4.2 presents the factor analysis results for control activities in the final data, comprising Seven statements. All Seven statements demonstrated factor loadings above the 0.4 threshold stipulated by Mabert et al. (2003). Consequently, all Seven statements were retained and used in the final analysis.

Table 4.3: Factor Analysis for Risk Assessment of the Final Data

Statements	Factor Loadings
Our organization systematically identifies potential risks to project success	0.714
Risk analysis considers both likelihood and impact of identified threats	0.598
Our organization lacks effective strategies for mitigating identified risks	0.763
Risk assessment is conducted before starting each new project	0.841
Risk assessments are not updated when project circumstances change	0.687
ASAL-specific challenges are considered in our risk assessment process	0.912
Identified risks are continuously monitored throughout project implementation	0.634

Table 4.3 shows the factor analysis results for risk assessment in the final data, which includes seven statements. All seven statements had factor loadings greater than the 0.4 criterion. Consequently, all Seven statements were kept and included in the final analysis.

Table 4.4: Factor Analysis for Monitoring of the Final Data

Statements	Factor Loadings
We have effective systems for tracking project progress against targets	0.831
Resource utilization is monitored regularly throughout project implementation	0.694
Stakeholder feedback is rarely incorporated into project decisions	0.743
Performance indicators are clearly defined for each project activity	0.918
Project reviews are conducted infrequently and lack adequate depth	0.612
Monitoring practices are adapted to address ASAL-specific challenges	0.879
Monitoring results effectively guide improvements in ongoing projects	0.541

Table 4.4 shows the factor analysis results for monitoring in the final data, which includes seven statements. All seven statements had factor loadings greater than the 0.4 criterion. As a result, all seven statements were kept and utilized in the final analysis.

Table 4.5: Factor Analysis for Control Environment of the Final Data

Statements	Factor Loadings
Our organization has a well-defined governance structure with clear roles	0.763
There is a strong culture of accountability at all organizational levels	0.841
Leadership rarely emphasizes the importance of ethical practices	0.598
Lines of authority and responsibility are clearly established	0.924
Staff receive inadequate training on internal control policies and procedures	0.713
The control environment is adapted to ASAL operational challenges	0.652
Management demonstrates commitment to transparency and integrity	0.879

Table 4.5 shows the factor analysis results for the control environment in the final data, which includes seven statements. All seven statements had factor loadings greater than the 0.4 criterion. As a result, all seven statements were kept and utilized in the final analysis.

Table 4.6: Factor Analysis for Performance of Projects of the Final Data

Statements	Factor Loadings
Our projects consistently achieve their planned objectives within scheduled timeframes	0.812
Project deliverables meet the technical quality standards specified in project documents	0.743
Projects demonstrate cost-effectiveness in achieving intended outcomes	0.691
Project outcomes effectively address the identified needs of target communities	0.934
Target beneficiaries express satisfaction with project outcomes and processes	0.578
Projects achieve the expected results as measured by key performance indicators	0.863
Overall project performance meets organizational and stakeholder expectations	0.721

Table 4.6 shows the factor analysis results for project performance in the final data set, which consists of seven statements. All Seven statements had factor loadings greater than the 0.4 criterion. As a result, all seven statements were kept and utilized in the final analysis.

Table 4.7: Factor Analysis for Project Budget Factors of the Final Data

Statements	Factor Loadings
Larger project budgets enable better project performance results	0.843
Adequate project funding ensures successful project completion	0.691
Budget constraints significantly limit project effectiveness	0.724
Multi-year funding improves project sustainability	0.913
Flexible budg*et al*locations enhance project adaptability	0.578
Donor funding requirements affect project implementation strategies	0.762
Budget availability determines project scope and quality	0.839

Table 4.7 presents the factor analysis results for project budget factors in the final data, comprising Seven statements. All Seven statements demonstrated factor loadings above the 0.4 threshold. Consequently, all Seven statements were retained and used in the final analysis.

Table 4.8: Factor Analysis for Infrastructure Quality of the Final Data

Statements	Factor Loadings
Poor infrastructure in project areas negatively affects our performance	0.841
Good road networks improve project implementation efficiency	0.763
Reliable communication systems enhance project coordination	0.892
Access to banking facilities improves financial management	0.714
Electricity availability supports project operations	0.648
Water infrastructure affects project implementation timelines	0.923
Transportation challenges increase project costs significantly	0.781

Table 4.8 shows the factor analysis results for infrastructure quality in the final data, which includes seven assertions. All Seven statements had factor loadings greater than the 0.4 criterion. As a result, all Seven statements were kept and utilized in the final analysis.

Table 4.9: Factor Analysis for Security Conditions of the Final Data

Statements	Factor Loadings
Security challenges in operational areas reduce project effectiveness	0.734
Insecurity limits staff movement and project activities	0.619
Conflict situations disrupt project implementation schedules	0.883
Security concerns affect beneficiary participation in projects	0.754
Banditry incidents impact project resource transportation	0.841
Inter-community tensions affect project acceptance	0.693
Security protocols increase project operational costs	0.578

Table 4.9 presents the factor analysis results for security conditions in the final data, comprising Seven statements. All Seven statements had factor loadings greater than the 0.4 criterion. As a result, all seven statements were kept and utilized in the final analysis.

Table 4.10: Factor Analysis for Staff Experience of the Final Data

Statements	Factor Loadings
Staff experience in project areas enhances project performance	0.763
Local staff understanding improves community engagement	0.914
Experienced staff adapt better to challenging environments	0.682
Staff cultural knowledge facilitates project implementation	0.841
Technical expertise matching improves project quality	0.729

Statements	Factor Loadings
Staff retention in ASAL areas affects project continuity	0.893
Training and capacity building enhance staff effectiveness	0.614

Table 4.10 presents the factor analysis results for staff experience in the final data, comprising Seven statements. All Seven statements demonstrated factor loadings above the 0.4 threshold. Consequently, all Seven statements were retained and used in the final analysis. Following confirmation of reliability and validity, composite scores for each variable were computed by calculating the mean of the seven items per construct, converting individual Likert-scale responses into single continuous variable observations for use in the correlation matrix and regression model for the final analysis.

4.2.4 Descriptive Statistics

The descriptive statistics in this section present a comprehensive overview of respondents' perceptions across all key dimensions of internal financial control factors and their influence on NGO project performance in Kenya's arid and semi-arid areas. The descriptive statistics are organized systematically to correspond with the research objectives, maintaining consistency in analytical depth and presentation format across all four independent variables (control activities, risk assessment, monitoring, and control environment), the dependent variable (project performance), and control variables (project budget, infrastructure quality, security level, and staff experience), thereby ensuring complete coverage of the study's scope and research questions.

4.2.4.1 Control Activities

The study's primary goal was to evaluate how control efforts affected non-governmental organization projects' performance in Kenya's arid and semi-arid regions. Table 4.11 presents the results of the study, which looked at respondents' opinions about the implementation of control activities.

Table 4.11: Descriptive Statistics of Control Activities

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std. Deviation
Our organization has clear approval processes for financial transactions	2.30%	9.20%	4.60%	50.40%	33.60%	4.04	0.98
There is adequate segregation of duties in financial management roles	6.10%	3.80%	2.30%	61.10%	26.70%	3.98	1.00
Internal audits are conducted regularly to verify compliance with policies	0.80%	15.30%	7.60%	33.60%	42.70%	4.02	1.09
Our fraud detection systems are ineffective in identifying irregularities	1.50%	13.70%	5.30%	44.30%	35.10%	3.98	1.05
Financial policies and procedures are well-documented and accessible	1.50%	6.90%	6.10%	38.90%	46.60%	4.22	0.95
Control activities are rarely updated to address emerging risks	0.00%	4.60%	6.90%	61.80%	26.70%	4.11	0.72
Authorization levels for financial decisions are clearly defined	3.80%	20.60%	4.60%	36.60%	34.40%	3.77	1.23
Average						4.02	1.00

The results showed that 84.0% of respondents agreed on transparent financial transaction approval processes. A further 11.5% objected and 4.6% were neutral. The mean score was 4.04 (SD = 0.98). This shows that the majority of NGOs have set up procedures for approving financial transactions. This is an essential control mechanism for accountability and preventing unauthorized expenditure. Furthermore, 87.8% felt there is sufficient role segregation in financial management positions. Only 2.3% were undecided and 9.9% disagreed. The average score was 3.98 (SD = 1.00). This indicates that participating NGOs have established a suitable division of duties in financial management. These findings align

with agency theory, which posits that control activities serve as mechanisms for aligning agent behavior with principal interests (Jensen & Meckling, 1976).

Regarding the frequency of internal audits, 76.3% of respondents agreed, 16.1% disagreed, and 7.6% were neutral. The mean score was 4.02 (SD = 1.09). This implies that the majority of businesses periodically carry out internal audits to ensure policy compliance. The study found that 79.4% agreed their fraud detection systems are inadequate at identifying anomalies. Only 15.2% disagreed and 5.3% were neutral. The average score was 3.98 (SD = 1.05). This is a troubling conclusion indicating most firms believe their fraud detection systems are insufficiently effective. This finding partially contradicts agency theory's expectation that control activities effectively prevent opportunistic agent behavior (Jensen & Meckling, 1976). Management must urgently address this critical control weakness.

Furthermore, 85.5% of respondents agreed that financial policies and procedures are well-documented and accessible. Only 8.4% disagreed and 6.1% were neutral. The average score was 4.22 (SD = 0.95). This indicates that companies have implemented thorough and accessible financial policies. Furthermore, 88.5% agreed that control activities are rarely updated to address emerging risks. Only 4.6% disagreed and 6.9% were neutral. The average score was 4.11 (SD = 0.72). This is particularly troubling since dynamic updating of control procedures remains a key problem across participating organizations. Lastly, 71.0% agreed that authorization levels for financial decisions are clearly defined. A total of 24.4% disagreed and 4.6% were unsure. The mean score was 3.77 (SD = 1.23). The overall average mean of 4.02 is consistent with Rafindadi and Olanrewaju (2019), who found that authorization processes accounted for 65% of variance in financial accountability metrics.

Additionally, the study relied on interviews with top-level management to obtain detailed information. The most crucial control measures in place for financial management are internal audit functions, segregation of roles, and approval procedures. One executive director stated that all expenditure above KSh 500,000 must be approved by the finance manager and country director. Expenditure above KSh 2 million must be approved by the board. This highlights the need for multi-level approvals for significant expenditures. Program managers emphasized keeping authorization, recording, and custody activities

separate. This is particularly important in remote field offices where staffing shortages may cause these tasks to overlap. Management reported regular audit cycles covering both headquarters and field office audits. Internal audit thus serves as a crucial instrument for compliance in geographically dispersed operations.

Respondents identified staff turnover, infrastructure limitations, and resource constraints as primary obstacles to maintaining control activities. Country directors frequently expressed concern about connectivity issues that impair real-time authorization. This necessitates implementing backup measures to guarantee control integrity in difficult circumstances. Managers describe difficulties in hiring and retaining personnel with the necessary financial management abilities. The frequent turnover of skilled finance employees at remote locations makes it difficult to maintain consistent application of control processes. Organizations must balance the necessity for thorough control implementation with operational efficiency. This leads to adaptations that guarantee required controls are in place while simplifying procedures for field deployment.

4.2.4.2 Risk Assessment

The second purpose of the study was to investigate the impact that risk assessment has on the execution of projects carried out by non-governmental organizations in Kenyan regions that are classified as dry or semi-arid. A study was conducted to investigate the attitudes of respondents with regard to risk assessment practices. The findings of the study are shown in Table 4.12.

Table 4.12: Descriptive Statistics of Risk Assessment

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std. Deviation
Our organization systematically identifies potential risks to project success	3.80%	15.30%	2.30%	36.60%	42.00%	3.98	1.19
Risk analysis considers both likelihood and impact of identified threats	1.50%	19.80%	6.10%	56.50%	16.00%	3.66	1.02
Our organization lacks effective strategies for mitigating identified risks	2.30%	6.10%	6.90%	50.40%	34.40%	4.08	0.93
Risk assessment is conducted before starting each new project	3.10%	13.00%	10.70%	48.10%	25.20%	3.79	1.06
Risk assessments are not updated when project circumstances change	4.60%	4.60%	2.30%	51.90%	36.60%	4.11	0.99
ASAL-specific challenges are considered in our risk assessment process	6.10%	9.20%	9.90%	35.10%	39.70%	3.93	1.19
Identified risks are continuously monitored throughout project implementation	1.50%	4.60%	11.50%	49.60%	32.80%	4.08	0.87
Average						3.95	1.04

According to the findings, 78.6% of respondents agreed their firm routinely identifies potential risks to project success. A further 19.1% disagreed and 2.3% were neutral. The mean score was 3.98 (SD = 1.19). This indicates that most NGOs have established methodical techniques for identifying possible hazards. According to the analysis, 72.5% agreed that risk analysis considers the impact and possibility of identified threats. A total of 21.3% disagreed and 6.1% were neutral. The average score was 3.66 (SD = 1.02). These findings align with institutional theory, which holds that organizations must align risk assessment procedures with regulatory frameworks and social expectations to obtain legitimacy (Meyer & Rowan, 1977).

Furthermore, 84.8% agreed their organization lacks adequate strategies to manage identified risks. Only 8.4% disagreed and 6.9% were neutral. The average score was 4.08 (SD = 0.93). This is a noteworthy finding demonstrating that the majority of organizations acknowledge a severe lack of risk mitigation capability. This directly affects their capacity to protect project results in the extremely unstable ASAL operational environment. This finding partially contradicts institutional theory's expectation that organizations seeking legitimacy would develop comprehensive risk mitigation systems aligned with donor expectations (Meyer & Rowan, 1977). Furthermore, 73.3% agreed that risk assessment is conducted before starting each new project. A total of 16.1% disagreed and 10.7% were neutral. The average score was 3.79 (SD = 1.06). The degree of disagreement indicates some variation in pre-project risk assessment usage across organizations.

In addition, 88.5% of respondents agreed that risk assessments are not updated when project circumstances change. Only 9.2% disagreed and 2.3% were neutral. The mean score was 4.11 (SD = 0.99). This is a highly alarming discovery suggesting most organizations fail to update risk assessments to account for changing field conditions. This leaves projects vulnerable to unforeseen hazards. The study found that 74.8% agreed their risk assessment approach considers ASAL-specific challenges. A total of 15.3% disagreed and 9.9% were neutral. The mean score was 3.93 (SD = 1.19). Finally, 82.4% agreed that identified risks are continuously monitored throughout project implementation. Only 6.1% disagreed and 11.5% were neutral. The average score was 4.08 (SD = 0.87). These findings are consistent with Kamunya (2021), who found systematic risk assessment processes accounted for 58% of variance in project performance results.

Additionally, senior managers were interviewed to obtain comprehensive information. Managers mentioned systematic procedures beginning in the project design phase and continuing through implementation cycles. Executive directors emphasized integrating risk assessment into proposal preparation. Organizations conduct environmental scans and stakeholder engagements to identify potential obstacles before project commencement. Program managers stressed routinely reviewing risk assessments as project conditions change. Weather, security, and community dynamics can significantly impact implementation. The assessment procedures are multi-level, combining field-based inputs

with headquarters-based analysis. This ensures risks are recognized across all facets of the project including technical, financial, operational, and environmental dimensions.

Respondents cited diversity, contingency planning, and stakeholder involvement as the most successful risk reduction techniques. Country directors described geographic and temporal diversification as a means of distributing implementation across places and periods. This reduces sensitivity to localized disruptions. In the event of drought, flood, or security issues, organizations maintain alternate implementation strategies and contingency funding. This demonstrates the necessity of contingency planning in managing environmental hazards. The best way to manage social and political risks, according to managers, is establishing and preserving strong relationships with local leaders, government officials, and community representatives. This guarantees project acceptability and long-term sustainability.

4.2.4.3 Monitoring

The third objective of the study was to determine the impact of monitoring on the performance of non-governmental organization projects in arid and semi-arid regions of Kenya. The results of the study, which examined respondents' perspectives on monitoring practices, are presented in Table 4.13.

Table 4.13: Descriptive Statistics of Monitoring

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std. Deviation
We have effective systems for tracking project progress against targets	2.30%	9.20%	6.10%	68.70%	13.70%	3.82	0.86
Resource utilization is monitored regularly throughout project implementation	1.50%	5.30%	9.90%	44.30%	38.90%	4.14	0.91
Stakeholder feedback is rarely incorporated into project decisions	0.00%	7.60%	6.10%	67.20%	19.10%	3.98	0.75
Performance indicators are clearly defined for each project activity	0.80%	15.30%	8.40%	35.90%	39.70%	3.98	1.08
Project reviews are conducted infrequently and lack adequate depth	3.80%	15.30%	6.10%	16.00%	58.80%	4.11	1.27
Monitoring practices are adapted to address ASAL-specific challenges	3.10%	7.60%	7.60%	37.40%	44.30%	4.12	1.05
Monitoring results effectively guide improvements in ongoing projects	1.50%	6.10%	8.40%	51.90%	32.10%	4.07	0.89
Average						4.03	0.97

The results indicate that 82.4% of participants agreed they possess efficient mechanisms to monitor progress towards project objectives. A further 11.5% expressed disagreement and 6.1% were neutral. The average score was 3.82 (SD = 0.86). This suggests that the majority of NGOs possess effective systems to track project advancement against objectives. The analysis indicates that 83.2% agreed on consistent oversight of resource utilization throughout project execution. Only 6.8% opposed and 9.9% remained neutral. The mean score was 4.14 (SD = 0.91). These findings align with stakeholder theory, which emphasizes that effective monitoring mechanisms promote broader stakeholder engagement and accountability (Freeman *et al*., 2010).

Additionally, 86.3% of participants agreed that stakeholder feedback is rarely incorporated into project decisions. Only 7.6% voiced disagreement and 6.1% were neutral. The mean score was 3.98 (SD = 0.75). This discovery is troubling as most organizations recognize a

fundamental shortcoming in incorporating stakeholder feedback into decision-making. This endangers participatory project management and may create a disconnect between project initiatives and community needs. This finding partially contradicts stakeholder theory's expectation that organizations would systematically integrate stakeholder feedback into operational decisions (Laplume *et al*., 2008). Furthermore, 75.6% agreed that performance indicators are explicitly defined for every project activity. A total of 16.1% voiced disagreement and 8.4% were neutral. The mean score was 3.98 (SD = 1.08).

Furthermore, 74.8% of participants agreed that project reviews are conducted infrequently and lack adequate depth. A total of 19.1% expressed dissent and 6.1% remained indifferent. The mean score was 4.11 (SD = 1.27). This highlights a considerable deficiency in monitoring procedures. Insufficient frequency and depth prevents organizations from identifying implementation problems promptly and enacting timely corrective measures. The study indicated that 81.7% agreed that monitoring protocols are adjusted to tackle ASAL-specific challenges. A total of 10.7% opposed and 7.6% remained neutral. The mean score was 4.12 (SD = 1.05). Finally, 84.0% agreed that monitoring outcomes effectively guide improvements in active projects. Only 7.6% opposed and 8.4% were neutral. The mean score was 4.07 (SD = 0.89). The monitoring average mean of 4.03 is consistent with Aga (2022), who found M&E planning accounted for 52% of variance in project performance metrics.

In order to obtain comprehensive insights, interviews with senior managers were also conducted. Program managers emphasized the value of digital platforms for real-time data collection from field sites. This enables headquarters personnel to track goal progress and promptly address implementation concerns. Financial monitoring systems keep an eye on budget execution and spending trends. This ensures resources are spent effectively and in accordance with donor needs. Regular community meetings, beneficiary surveys, and partner discussions provide qualitative input on the project's efficacy and community satisfaction. These mechanisms collectively reflect stakeholder theory's proposition that organizations actively managing multiple stakeholder relationships achieve superior project outcomes.

When asked about adaptability to operational obstacles, respondents mentioned adaptable systems accounting for infrastructure and security limitations. Executive directors emphasized developing offline data collection techniques. This enables field workers to gather monitoring data without internet connection and upload it when connectivity is available. Adaptations include using mobile technology to monitor without establishing a permanent field presence in high-risk locations. Remote monitoring through local partners is used when direct access is too dangerous. Monitoring schedules and techniques are modified to accommodate accessibility limitations. Seasonal changes linked to weather conditions that affect communication and transportation are also incorporated.

4.2.4.4 Control Environment

The fourth aim of the research was to examine the influence of the control environment on the performance of non-governmental organization initiatives in arid and semi-arid regions of Kenya. The research investigated participants' views on control environment elements, with the findings presented in Table 4.14.

Table 4.14: Descriptive Statistics of Control Environment

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std. Deviation
Our organization has a well-defined governance structure with clear roles.	3.80%	23.70%	4.60%	39.70%	28.20%	3.65	1.23
There is a strong culture of accountability at all organizational levels.	4.80%	14.50%	3.10%	27.50%	50.10%	4.08	1.21
Leadership rarely emphasizes the importance of ethical practices.	0.80%	13.50%	7.60%	38.20%	39.90%	4.00	1.06
Lines of authority and responsibility are clearly established.	2.30%	9.90%	7.60%	48.10%	32.10%	3.98	1.00
Staff receive inadequate training on internal control policies and procedures.	0.80%	12.20%	13.00%	37.40%	36.60%	3.97	1.03
The control environment is adapted to ASAL operational challenges.	7.60%	17.60%	3.80%	45.00%	26.00%	3.64	1.25
Management demonstrates commitment to transparency and integrity.	1.50%	4.60%	7.60%	54.20%	32.10%	4.11	0.84
Average						3.92	1.09

The findings show that 67.9% of respondents agreed their organization has a clearly defined governance structure with distinct roles. A total of 27.5% disagreed and 4.6% were neutral. The mean score was 3.65 (SD = 1.23). The comparatively high disagreement rate suggests that governance systems vary significantly between participating organizations. According to the analysis, 77.6% agreed the firm has a strong culture of responsibility at all organizational levels. A total of 19.3% disagreed and 3.1% were undecided. The mean score was 4.08 (SD = 1.21). These findings align with resource dependence theory, which holds that effective control environments enable organizations to manage external resource dependencies and sustain donor relationships (Casciaro & Piskorski, 2005).

Furthermore, 78.1% agreed that leadership rarely emphasizes the significance of ethical practices. A total of 14.3% disagreed and 7.6% were neutral. The mean score was 4.00 (SD = 1.06). This is a serious problem indicating that most employees believe their leaders do

not consistently set an ethical example. This undermines the tone at the top necessary for a healthy control environment. This finding partially contradicts agency theory's expectation that principals would establish strong ethical oversight mechanisms to align agent behavior with organizational objectives (Jensen & Meckling, 1976). Furthermore, 80.2% agreed that lines of power and responsibility are well established. Only 12.2% disagreed and 7.6% were undecided. The average score was 3.98 (SD = 1.00).

Similarly, 74.0% agreed that employees are not sufficiently informed on internal control rules and procedures. A total of 13.0% disagreed and 13.0% were neutral. The mean score was 3.97 (SD = 1.03). This is a serious flaw in the control environment. Even with well-documented control processes, individuals with inadequate training are likely to apply them inconsistently or improperly. According to the survey, 71.0% agreed that the control environment is adapted to ASAL's operational issues. A total of 25.2% disagreed and 3.8% were neutral. This recorded the lowest mean score in this section at 3.64 (SD = 1.25). Finally, 86.3% agreed that management is dedicated to honesty and openness. Only 6.1% disagreed and 7.6% were neutral. The mean score was 4.11 (SD = 0.84). The control environment average mean of 3.92 is consistent with Oyedokun and Felejaye (2021), who found that organizational culture and governance structures explained 43% of variance in financial performance metrics.

Additionally, interviews with top-level management were conducted to obtain detailed information. Transparent communication, ethical leadership, and accountability culture were cited as essential components of organizations' control environments. Country directors provided information on organizational cultures that prioritize honesty and openness. Regular staff meetings uphold moral principles and accountability expectations. A crucial component was leadership's dedication to leading by example. Top employees must adhere to ethical standards and control protocols consistently. Effective control environments require communication mechanisms enabling employees to voice concerns without fear of retaliation.

When asked how all employees understand and follow internal control policies, respondents cited thorough training programs, refresher courses, and mentoring techniques. However, the quantitative finding that 74.0% of lower and middle-level

employees reported insufficient training stands in sharp contrast to these qualitative management responses. This discrepancy demonstrates a disconnect between what employees truly experience and the training management believes it is providing. This gap aligns with agency theory's recognition that information asymmetry between organizational levels undermines effective control implementation (Jensen & Meckling, 1976). Field employees in distant ASAL areas may not receive training created and distributed at headquarters level. Alternatively, the training offered may not be sufficiently comprehensive or relevant to frontline employees' daily control needs. Organizations should conduct field-level training needs assessments to identify and close specific gaps experienced by lower and middle-level employees.

4.2.4.5 Project Budget

The study examined respondents' perceptions regarding project budget factors and the results are shown in Table 4.15.

Table 4.15: Descriptive Statistics of Project Budget

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std. Deviation
Larger project budgets enable better project performance results	3.80%	5.30%	4.60%	57.30%	29.00%	4.02	0.95
Adequate project funding ensures successful project completion	3.80%	23.70%	2.30%	16.80%	53.40%	3.92	1.36
Budget constraints significantly limit project effectiveness	0.80%	9.90%	6.90%	42.70%	39.70%	4.11	0.96
Multi-year funding improves project sustainability	2.30%	6.10%	7.60%	50.40%	33.60%	4.07	0.93
Flexible budg*et al*locations enhance project adaptability	1.50%	13.00%	12.20%	37.40%	35.90%	3.93	1.07
Donor funding requirements affect project implementation strategies	6.90%	5.30%	2.30%	55.00%	30.50%	3.97	1.08
Budget availability determines project scope and quality	1.50%	5.30%	9.20%	51.10%	32.80%	4.08	0.88
Average						4.01	1.03

According to the findings, 86.3% of respondents agreed that higher project budgets produce better performance outcomes. Only 9.1% disagreed and 4.6% were neutral. The mean score was 4.02 (SD = 0.95). According to the analysis, 70.2% agreed that adequate project funding ensures successful project completion. A total of 27.5% disagreed and 2.3% were neutral. The average score was 3.92 (SD = 1.36). Furthermore, 82.4% agreed that budgetary restrictions significantly affect project efficacy. Only 10.7% disagreed and 6.9% were neutral. The average score was 4.11 (SD = 0.96). These findings align with resource dependence theory, which emphasizes that organizations must proactively manage external resource dependencies to sustain reliable resource availability (Casciaro & Piskorski, 2005).

Additionally, 84.0% agreed that multi-year funding improves project sustainability. Only 8.4% disagreed and 7.6% were neutral. The average score was 4.07 (SD = 0.93). Furthermore, 73.3% agreed that flexible budg*et al*locations enhance project adaptability. A total of 14.5% disagreed and 12.2% were neutral. The mean score was 3.93 (SD = 1.07). According to the survey, 85.5% agreed that donor funding requirements affect project implementation strategies. Only 12.2% disagreed and 2.3% were neutral. The average score was 3.97 (SD = 1.08). Finally, 83.9% agreed that budget availability determines project scope and quality. Only 6.8% disagreed and 9.2% were neutral. The average score was 4.08 (SD = 0.88). The project budget average mean of 4.01 reflects the consistent influence of budget factors on project implementation across participating organizations.

In order to obtain comprehensive insights, interviews with senior managers were also conducted. Respondents emphasized the connection between adequate financing and implementation quality. They also highlighted issues resulting from both underfunding and overfunding. Program managers described how extra financing enables more comprehensive implementation strategies. These include better staff training, equipment purchases, and monitoring systems. However, managers noted that extremely large budgets may cause management issues. These must be resolved through enhanced administrative capability and control measures to guarantee efficient budget utilization. Well-funded projects enable execution of good control systems and efficient service delivery.

Underfunded projects are limited in implementation, which impacts quality and sustainability.

4.2.4.6 Infrastructure Quality

The study investigated respondents' perceptions regarding infrastructure quality factors and the findings are displayed in Table 4.16.

Table 4.16: Descriptive Statistics of Infrastructure Quality

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std. Deviation
Poor infrastructure in project areas negatively affects our performance	0.00%	3.80%	5.30%	56.50%	34.40%	4.21	0.71
Good road networks improve project implementation efficiency	0.00%	15.30%	9.20%	35.90%	39.70%	4.00	1.05
Reliable communication systems enhance project coordination	1.50%	14.50%	5.30%	35.90%	42.70%	4.04	1.10
Access to banking facilities improves financial management	2.30%	6.90%	6.10%	37.40%	47.30%	4.21	0.99
Electricity availability supports project operations	3.80%	10.70%	3.10%	29.00%	53.40%	4.18	1.15
Water infrastructure affects project implementation timelines	0.00%	11.50%	4.60%	42.00%	42.00%	4.15	0.95
Transportation challenges increase project costs significantly	2.30%	6.90%	5.30%	42.70%	42.70%	4.17	0.97
Average						4.14	0.99

The results showed that 90.9% of respondents agreed that poor infrastructure in project regions negatively impacts their performance. Only 3.8% disagreed and 5.3% were neutral. The mean score was 4.21 (SD = 0.71). This suggests that lack of infrastructure is a major obstacle to NGO activities in arid and semi-arid regions. It directly affects the effectiveness of project outcomes. The high level of agreement reflects the general understanding that poor infrastructure creates operational challenges that organizations must overcome in difficult settings. According to the analysis, 75.6% agreed that effective road networks

boost project implementation efficiency. A total of 15.3% disagreed and 9.2% were neutral. The mean score was 4.00 (SD = 1.05). These findings align with institutional theory, which recognizes that organizations must adapt their operational practices to their institutional environment (Meyer & Rowan, 1977).

Additionally, 78.6% agreed that reliable communication tools improve project collaboration. A total of 16.0% disagreed and 5.3% were neutral. The average score was 4.04 (SD = 1.10). This implies that effective coordination between project sites, corporate headquarters, and stakeholders is enabled by communication infrastructure. Furthermore, 84.7% agreed that access to banking facilities helps financial management. Only 9.2% disagreed and 6.1% were neutral. The mean score was 4.21 (SD = 0.99). This highlights the need for financial infrastructure to ensure secure project finance management and financial controls in remote areas. Furthermore, 82.4% agreed that electricity availability supports project operations. A total of 14.5% disagreed and 3.1% were undecided. The average score was 4.18 (SD = 1.15).

Water infrastructure affects project implementation delays, according to 84.0% of participants. A total of 11.5% disagreed and 4.6% were neutral. The mean score was 4.15 (SD = 0.95). This implies that water infrastructure availability influences project scheduling and execution methods. This is especially relevant in arid and semi-arid nations where water scarcity is a recurring issue. Lastly, 85.4% agreed that transportation-related issues significantly impact project costs. Only 5.3% disagreed and 9.2% were neutral. The mean score was 4.17 (SD = 0.97). The infrastructure quality average mean of 4.14 represents the highest mean among all control variables. This reflects the critical significance of infrastructure constraints in ASAL operational environments.

Similarly, the study interviewed top-level managers to obtain detailed perspectives. The primary obstacles affecting project implementation are transportation, communication, and energy access. Organizations have formed alliances with regional transportation providers and maintained emergency fuel supplies. Country directors reported transportation-related problems affecting staff deployment, resource delivery, and monitoring operations. Backup solutions like radio networks and satellite communication are necessary due to limitations in communication infrastructure. This enables cooperation when infrastructure fails.

Organizations invest in solar power systems and backup generators because limited energy access affects data management and equipment operations.

4.2.4.7 Security Level

The study analyzed respondents' perceptions regarding security factors and the results are presented in Table 4.17.

Table 4.17: Descriptive Statistics of Security Level

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std. Deviation
Security challenges in operational areas reduce project effectiveness	6.90%	13.70%	5.30%	22.90%	51.10%	3.98	1.32
Insecurity limits staff movement and project activities	2.30%	20.60%	10.70%	48.10%	18.30%	3.60	1.08
Conflict situations disrupt project implementation schedules	3.80%	13.70%	3.10%	44.30%	35.10%	3.93	1.13
Security concerns affect beneficiary participation in projects	1.50%	15.30%	6.90%	35.10%	41.20%	3.99	1.11
Banditry incidents impact project resource transportation	9.90%	13.00%	1.50%	42.70%	32.80%	3.76	1.31
Inter-community tensions affect project acceptance	2.30%	3.10%	6.90%	53.40%	34.40%	4.15	0.85
Security protocols increase project operational costs	3.10%	11.50%	3.80%	37.40%	44.30%	4.08	1.10
Average						3.93	1.13

Results show that 74.0% of respondents agreed that operational security concerns reduce project effectiveness. A total of 20.6% disagreed and 5.3% were neutral. The mean score was 3.98 (SD = 1.32). The data shows that 66.4% agreed that insecurity limits staff travel and project activities. A total of 22.9% disagreed and 10.7% were neutral. The average score was 3.60 (SD = 1.08). Also, 79.4% agreed that conflict situations affect project timelines. A total of 17.5% disagreed and 3.1% were neutral. The mean score was 3.93 (SD = 1.13). These findings align with resource dependence theory, which recognizes that

organizations operating in uncertain environments must proactively manage external risks to preserve resource availability and operational continuity (Casciaro & Piskorski, 2005).

Furthermore, 76.3% agreed that security concerns impact beneficiary involvement in projects. A total of 16.8% disagreed and 6.9% were neutral. The mean score was 3.99 (SD = 1.11). In addition, 75.5% agreed that banditry events affect the transfer of project resources. A total of 22.9% disagreed and 1.5% were agnostic. The average score was 3.76 (SD = 1.31). In terms of how inter-community tensions affect project approval, 87.8% of respondents agreed. Only 5.4% disagreed and 6.9% were indifferent. The mean score was 4.15 (SD = 0.85). Lastly, 81.7% agreed that security measures raise operational costs for projects. A total of 14.6% disagreed and 3.8% were indifferent. The average score was 4.08 (SD = 1.10). The security level average mean of 3.93 demonstrates consistent recognition of security constraints across participating organizations.

To obtain more in-depth perspectives from upper-level managers, the study also conducted interviews. Respondents reported thorough security processes incorporating worker safety and program requirements. Executive directors emphasized risk assessment protocols involving recognizing potential security threats and implementing mitigation measures. These include training employees, creating evacuation plans, and collaborating with relevant security agencies. Adaptations to implementation include working with local organizations that remain active in the community when international staff must evacuate. Remote management strategies maintain programs running during high-risk periods. Implementation timelines are adjusted to accommodate security restrictions without delaying the project.

4.2.4.8 Staff Experience

The study examined respondents' perceptions regarding staff experience factors and the findings are shown in Table 4.18.

Table 4.18: Descriptive Statistics of Staff Experience

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std. Deviation
Staff experience in project areas enhances project performance	6.90%	14.50%	2.30%	24.40%	51.90%	4.00	1.32
Local staff understanding improves community engagement	4.60%	18.30%	6.10%	49.60%	21.40%	3.65	1.14
Experienced staff adapt better to challenging environments	2.30%	3.80%	5.30%	52.70%	35.90%	4.16	0.87
Staff cultural knowledge facilitates project implementation	0.80%	10.70%	9.90%	38.90%	39.70%	4.06	1.00
Technical expertise matching improves project quality	5.30%	4.60%	3.10%	58.80%	28.20%	4.00	0.99
Staff retention in ASAL areas affects project continuity	4.60%	17.60%	13.00%	29.00%	35.90%	3.74	1.24
Training and capacity building enhance staff effectiveness	0.00%	22.90%	7.60%	46.60%	22.90%	3.69	1.07
Average						3.90	1.09

According to the results, 76.3% of respondents agreed that staff expertise enhances project success. A total of 21.4% disagreed and 2.3% gave a neutral response. The mean score was 4.00 (SD = 1.32). According to the analysis, 71.0% agreed that local staff members' knowledge improves community participation. A total of 22.9% disagreed and 6.1% were neutral. The average score was 3.65 (SD = 1.14). Additionally, 88.6% agreed that employees with greater experience adapt better to difficult situations. Only 6.1% disagreed and 5.3% were undecided. The mean score was 4.16 (SD = 0.87). These findings align with agency theory, which recognizes that agent competence and alignment with principal objectives are critical determinants of organizational performance (Jensen & Meckling, 1976).

Furthermore, 78.6% agreed that staff cultural understanding is helpful for project implementation. A total of 11.5% disagreed and 9.9% were neutral. The mean score was 4.06 (SD = 1.00). Additionally, 87.0% agreed that combining technical expertise improves project quality. Only 9.9% disagreed and 3.1% were neutral. The mean score was 4.00 (SD

= 0.99). According to the study, 64.9% agreed that staff retention in ASAL areas affects project continuity. A total of 22.2% disagreed and 13.0% were neutral. The mean score was 3.74 (SD = 1.24). Lastly, 69.5% agreed that training and capacity building improve staff performance. A total of 22.9% disagreed and 7.6% were undecided. The mean score was 3.69 (SD = 1.07). The staff experience average mean of 3.90 reflects its consistent influence on project implementation across participating organizations.

Furthermore, interviews were conducted to acquire comprehensive information from senior managers. Inquiring about the most critical factors for project success in their respective contexts, managers unanimously identified technical expertise, cultural comprehension, and local knowledge. Program managers underscored the necessity of recruiting personnel with experience in arid and semi-arid regions. These staff members are acquainted with environmental issues, cultural sensitivities, and community dynamics. The staff's technical expertise in pertinent sectors facilitates comprehension of implementation obstacles. Their familiarity with donor requirements ensures adherence to funding conditions. Long-term staff retention preserves institutional memory and stakeholder relationships in challenging environments. This enhances organizational efficacy and project sustainability, consistent with agency theory's proposition that competent and aligned agents achieve superior principal-sanctioned outcomes (Jensen & Meckling, 1976).

4.2.4.9 Project Performance

The study analyzed respondents' perceptions regarding project performance outcomes and the findings are presented in Table 4.19.

Table 4.19: Descriptive Statistics of Project Performance

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std. Deviation
Our projects consistently achieve their planned objectives within scheduled timeframes	1.50%	7.60%	7.60%	51.90%	31.30%	4.04	0.91
Project deliverables meet the technical quality standards specified in project documents	0.00%	16.80%	7.60%	58.80%	16.80%	3.76	0.93
Projects demonstrate cost-effectiveness in achieving intended outcomes	3.10%	7.60%	3.80%	56.50%	29.00%	4.01	0.96
Project outcomes effectively address the identified needs of target communities	10.70%	6.10%	6.90%	48.10%	28.20%	3.77	1.23
Target beneficiaries express satisfaction with project outcomes and processes	3.10%	6.90%	6.10%	57.30%	26.70%	3.98	0.94
Projects achieve the expected results as measured by key performance indicators	0.00%	7.60%	12.20%	70.20%	9.90%	3.82	0.71
Overall project performance meets organizational and stakeholder expectations	7.60%	0.00%	5.30%	62.60%	24.40%	3.96	1.00
Average						3.91	0.95

According to the findings, 83.2% of respondents agreed that their initiatives consistently achieve targeted goals within the allotted time. Only 9.1% disagreed and 7.6% were neutral. The mean score was 4.04 (SD = 0.91). This indicates that most NGO initiatives in arid and semi-arid areas accomplish their objectives on schedule. According to the analysis, 75.6% agreed that project deliverables meet the technical quality stated in project documents. A total of 16.8% disagreed and 7.6% were neutral. The average score was 3.76 (SD = 0.93). Although it has the lowest score among all indicators, it shows that projects generally achieve specified quality criteria. These findings align with agency theory, which

posits that robust internal control systems enhance accountability and project outcomes by aligning agent behavior with donor expectations (Jensen & Meckling, 1976).

Furthermore, 85.5% agreed that initiatives are cost-effective in reaching desired outcomes. Only 10.7% disagreed and 3.8% were neutral. The average score was 4.01 (SD = 0.96). This shows that projects use resources efficiently to achieve intended results. Additionally, 76.3% agreed that project results effectively meet target communities' specified needs. A total of 16.8% disagreed and 6.9% were neutral. The mean score was 3.77 (SD = 1.23). Furthermore, 84.0% agreed that target recipients are satisfied with project outcomes and procedures. Only 10.0% disagreed and 6.1% were neutral. The average score was 3.98 (SD = 0.94). According to the survey, 80.1% agreed that initiatives produce anticipated outcomes based on key performance metrics. A total of 7.6% disagreed and 12.2% were neutral. The mean score was 3.82 (SD = 0.71). Finally, 87.0% agreed that overall project performance meets stakeholders' and the organization's expectations. Only 7.6% disagreed and 5.3% were neutral. The average score was 3.96 (SD = 1.00). The project performance average mean of 3.91 indicates moderate to good performance levels, consistent with Dagane and Kihara (2021) and Bosibori and Otieno (2021).

Additionally, senior managers were interviewed to obtain comprehensive information. Completion rates, meeting quality standards, beneficiary satisfaction, and financial efficiency were cited as important metrics for gauging project performance. Program managers emphasized monitoring milestone achievement in relation to scheduled timelines. Technical specifications and service delivery standards serve as the foundation for quality standards. These guarantee that project outputs meet donor requirements and intended project objectives. Financial efficiency metrics monitor cost-effectiveness and budget utilization trends. Beneficiary satisfaction surveys provide information on perceived project value and community approval. These collectively reflect resource dependence theory's proposition that organizations maintaining strong donor relationships through demonstrated performance sustain access to critical resources (Casciaro & Piskorski, 2005).

Respondents described adaptive techniques that maintain essential controls while enabling responsive implementation in challenging conditions. The necessity to create efficient

processes that uphold accountability while minimizing bureaucratic hold-ups was emphasized by country directors. This is particularly important for emergency response efforts where delays can have serious consequences. Giving field managers authority enables prompt decision-making within established constraints and oversight. Emergency procedures are short-term modifications to regular procedures when circumstances demand it. Review procedures ensure accountability is consistently upheld throughout implementation. Managers described instances where internal financial controls improved the performance of specific initiatives by stopping fraud, identifying implementation problems, and fostering donor confidence. Executive directors described situations where segregation of roles revealed unapproved spending that could have jeopardized project budgets. Early detection of performance issues by monitoring systems allowed organizations to take corrective action before project failure. One manager stated that clean audit results and transparent reporting helped secure a three-year extension worth KSh 325 million. This directly demonstrates how strong internal financial controls enhance donor confidence and sustain resource availability, fully consistent with resource dependence theory's core proposition (Casciaro & Piskorski, 2005).

4.2.5 Correlation Analysis

Correlation analysis was conducted to analyze the relationship between independent variables (control activities, risk assessment, monitoring and control environment), control variables (project budget, infrastructure quality, security level and staff experience) and dependent variables (project performance). The correlation data are presented in Table 4.20.

Table 4.20: Correlation Analysis

		Project Performance	Control Activities	Risk Assessment	Monitoring	Control Environment	Project Budget	Infrastructure Quality	Security Level	Staff Experience
Project Performance	Pearson Correlation	1.000								
	Sig. (2-tailed)									
Control Activities	Pearson Correlation	.404**	1.000							
	Sig. (2-tailed)	0.000								
Risk Assessment	Pearson Correlation	.461**	0.018	1.000						
	Sig. (2-tailed)	0.000	0.835							
Monitoring	Pearson Correlation	.505**	0.070	.286**	1.000					
	Sig. (2-tailed)	0.000	0.425	0.001						
Control Environment	Pearson Correlation	.492**	.373**	.289**	.281**	1.000				
	Sig. (2-tailed)	0.000	0.000	0.001	0.001					
Project Budget	Pearson Correlation	.498**	.193*	.310**	.282**	.203*	1.000			
	Sig. (2-tailed)	0.000	0.027	0.000	0.001	0.020				
Infrastructure Quality	Pearson Correlation	.387**	0.152	0.165	.176*	.264**	.201*	1.000		
	Sig. (2-tailed)	0.000	0.083	0.060	0.045	0.002	0.021			
Security Level	Pearson Correlation	.409**	0.111	.180*	0.159	.263**	.250**	.317**	1.000	
	Sig. (2-tailed)	0.000	0.206	0.040	0.070	0.002	0.004	0.000		
Staff Experience	Pearson Correlation	.416**	0.066	.228**	.212*	.179*	0.151	.196*	.329**	1.000
	Sig. (2-tailed)	0.000	0.453	0.009	0.015	0.040	0.085	0.025	0.000	

The study's primary objective was to assess the impact of control activities on the performance of NGO programs in Kenya's arid and semi-arid regions. The study found a strong and favorable correlation between control activities and project performance ($r = .404$, $p = 0.000$). This implies that organizations implementing established approval procedures, conducting frequent internal audits, and maintaining adequate job segregation achieve superior project performance outcomes. This finding aligns with agency theory, which posits that control activities serve as principal-sanctioned mechanisms for aligning agent behavior with organizational objectives (Jensen & Meckling, 1976). This outcome is consistent with Alio's (2021) findings, which indicated that NGO performance in Nairobi was positively affected by compliance with accounting standards. Similarly, Oppong *et al*. (2016) demonstrated that internal control initiatives significantly enhanced operational efficacy of faith-based NGOs in Accra, Ghana.

The second objective was to investigate the impact of risk assessment on NGO project performance. The results indicate that risk assessment is positively correlated with project

performance (r = .461, p = 0.000). This indicates that systematic risk identification, analysis, and mitigation techniques significantly enhance project outcomes. This finding aligns with institutional theory, which holds that organizations aligning risk assessment procedures with regulatory expectations and social norms obtain the legitimacy necessary for sustained operational effectiveness (Meyer & Rowan, 1977). This correlation is corroborated by Kamunya (2021), who discovered a direct correlation between risk management measures and project performance levels for NGOs in Nairobi County. Mutua and Ibembe (2020) similarly found that effective risk management strategies improved NGO functional performance in Kitui County, Kenya.

The third objective was to ascertain the influence of monitoring on NGO project performance. Monitoring demonstrated the most significant positive correlation with project performance (r = .505, p = 0.000). This suggests that stakeholder participation, resource utilization monitoring, and effective progress tracking enhance project performance outcomes. This finding aligns with stakeholder theory, which emphasizes that organizations actively engaging multiple stakeholders through systematic monitoring mechanisms achieve superior project outcomes and sustained operational legitimacy (Freeman *et al*., 2010). This result is consistent with Aga (2022), who found that planned M&E methods, staff technical competencies, and stakeholder participation activities produced effective NGO development initiatives in Ethiopia. Uwera and Wanjiku (2023) similarly demonstrated that successful M&E procedures positively influenced project success in Rwanda.

The fourth objective was to determine the extent to which control environments influenced NGO project performance. The control environment exhibited a substantial positive correlation with project performance (r = .492, p = 0.000). This underscores the significance of management's dedication to transparency, accountability culture, and effective governance structures in determining project implementation success. This finding aligns with resource dependence theory, which holds that effective control environments enable organizations to manage external resource dependencies and maintain donor confidence necessary for sustained project funding (Casciaro & Piskorski, 2005). This correlation supports Oyedokun and Felejaye (2021), who found that control

environment characteristics significantly influenced Nigerian NGO financial performance. Muli and Musau (2022) similarly demonstrated that control environments are essential for financial administration of humanitarian NGOs in Nairobi City County.

The control variables also recorded significant correlations with project performance. Project budget recorded the strongest control variable correlation ($r = .498$, $p = 0.000$), followed by staff experience ($r = .416$, $p = 0.000$), security level ($r = .409$, $p = 0.000$), and infrastructure quality ($r = .387$, $p = 0.000$). Project budget is substantially correlated with all internal financial control elements, including risk assessment ($r = .310$, $p = 0.000$) and monitoring ($r = .282$, $p = 0.001$). This suggests that sufficient funding enables more comprehensive control measure implementation. Staff experience is moderately correlated with risk assessment ($r = .228$, $p = 0.009$) and monitoring ($r = .212$, $p = 0.015$), indicating that experienced employees enhance risk management and supervision capability. Security level recorded the strongest correlation with infrastructure quality ($r = .317$, $p = 0.000$) and staff experience ($r = .329$, $p = 0.000$). This reflects the interdependence of operational challenges in arid and semi-arid regions, consistent with resource dependence theory's recognition that external environmental factors collectively shape organizational performance outcomes (Casciaro & Piskorski, 2005).

Project success is significantly positively correlated with all four internal financial control parameters. The control variables exert a significant combined influence on project performance, suggesting that both internal control systems and external operational factors significantly shape project outcomes. These results indicate that NGOs operating in Kenya's arid and semi-arid regions can significantly enhance project performance by increasing the effectiveness of their internal financial control systems, particularly monitoring procedures and control environment, while also allocating adequate funds and employing qualified personnel. These findings collectively confirm the integrated theoretical framework adopted in this study, demonstrating that agency theory, stakeholder theory, institutional theory, and resource dependence theory collectively explain how internal financial control factors influence NGO project performance in difficult operational environments.

4.2.6 Diagnostic tests

Diagnostic tests are employed in the field of statistics to evaluate the validity and quality of a statistical model. These tests can detect any deficiencies in the model, including an absence of compatibility. Diagnostic tests are indispensable for guaranteeing that the conclusions derived from a statistical model are reliable and valid. The subsequent diagnostic procedures were implemented to guarantee that regression requirements were satisfied.

4.2.6.1 Normality Tests

The Kolmogorov-Smirnov test was implemented in order to verify the normality of the data. The normality test was employed to determine whether the sample data originated from a population with a normal distribution. Table 4.21 illustrates the results of the normality test.

Table 4.21: Normality test

	Kolmogorov-Smirnov Test.		
Variables	**Statistic**	**Df**	**Sig.**
Control Activities	0.193	131	0.082
Risk Assessment	0.117	131	0.073
Monitoring	0.158	131	0.059
Control Environment	0.15	131	0.105
Project Budget	0.196	131	0.068
Infrastructure Quality	0.147	131	0.234
Security Level	0.159	131	0.097
Staff Experience	0.182	131	0.242
Project Performance	0.186	131	0.075

The results in Table 4.21 show that the p-values for all variables (control activities, risk assessment, monitoring, control environment, project budget, infrastructure quality, security level, personnel experience, and project performance) were greater than 0.05. This shows that the data was regularly distributed. The investigation concludes that the data is regularly distributed. The Kolmogorov-Smirnov test is a statistical method for assessing if

a sample of data originates from a regularly distributed population, which is an important assumption for many statistical analysis, including regression.

4.2.6.2 Multicollinearity

Using the Variance Inflation Factor (VIF), the multicollinearity test was conducted. The results of multicollinearity are shown in Table 4.22.

Table 4.22: Multicollinearity Results

	Tolerance	VIF
Control Activities	0.825	1.212
Risk Assessment	0.795	1.258
Monitoring	0.826	1.211
Control Environment	0.712	1.405
Project Budget	0.804	1.244
Infrastructure Quality	0.844	1.185
Security Level	0.783	1.277
Staff Experience	0.843	1.186

With values ranging from 1.185 to 1.405, the multicollinearity test results shown in Table 34 show that all variables have VIF values far below the threshold of 10. Furthermore, the tolerance values, which range from 0.712 to 0.844, are all higher than 0.1. These results show that there is no multicollinearity between the variables. This guarantees the stability and dependability of the regression model's predictions, enabling precise understanding of the connections between the independent variables and project.

4.2.6.3 Linearity Test

The linearity test was employed to ascertain the relationship between the study's independent and dependent variables. This test is crucial to regression analysis since it helps determine whether the connection between the variables is linear, which is a basic assumption in many statistical analyses. A linear relationship shows that changes in the independent variable are connected to changes in the dependent variable.

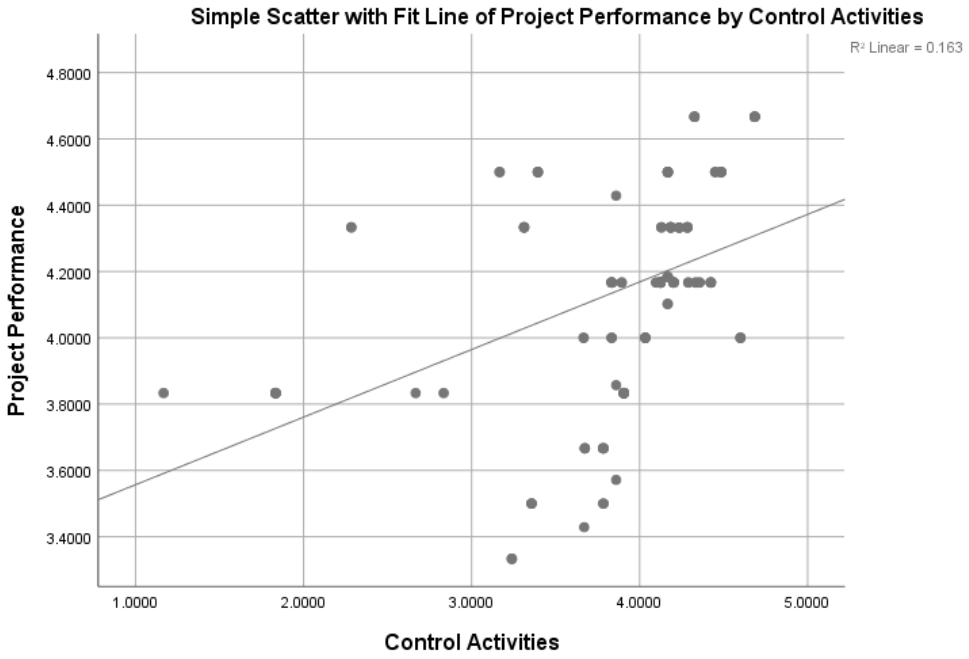


Figure 11: Scatter Plot of Control Activities and Project Performance

Figure 11 indicates that control actions have a linear connection with project performance. This shows that there is a positive linear link between control activities and project performance. As NGOs strengthen their approval processes, segregation of duties, and internal audit functions, there is a corresponding increase in project performance outcomes. This linear relationship suggests that investments in improving control activities, such as enhancing authorization procedures, implementing fraud detection systems, or updating control mechanisms to address emerging risks, are likely to yield improvements in overall project performance. The straight-line relationship also implies that this effect is consistent across different levels of control activities implementation, supporting the importance of these controls in driving project success in arid and semi-arid areas.

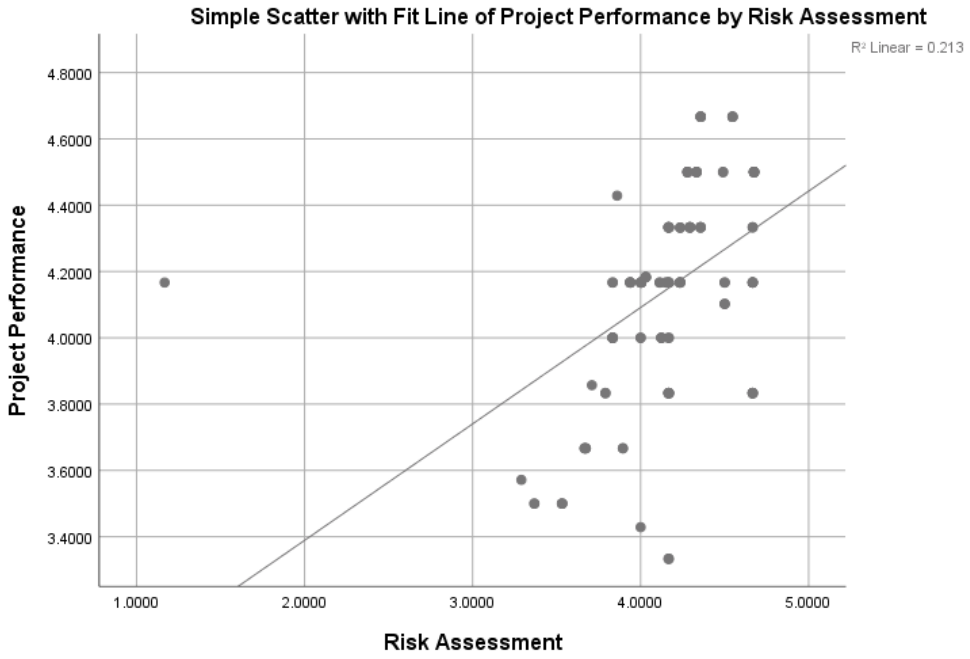


Figure 12: Scatter Plot of Risk Assessment and Project Performance

Figure 12 illustrates that risk assessment had a linear connection with project performance. This demonstrates a positive linear link between systematic risk assessment techniques and project performance. As NGOs improve their ability to identify, analyze, and mitigate project risks, there is a corresponding improvement in project performance outcomes. This linear relationship suggests that efforts to enhance risk assessment capabilities, such as conducting comprehensive risk identification, developing effective mitigation strategies, or adapting assessments to ASAL-specific challenges, are likely to yield proportional benefits in terms of overall project success. The consistency of this relationship across different levels of risk assessment implementation underscores the importance of proactive risk management in enhancing project performance in challenging operational environments.

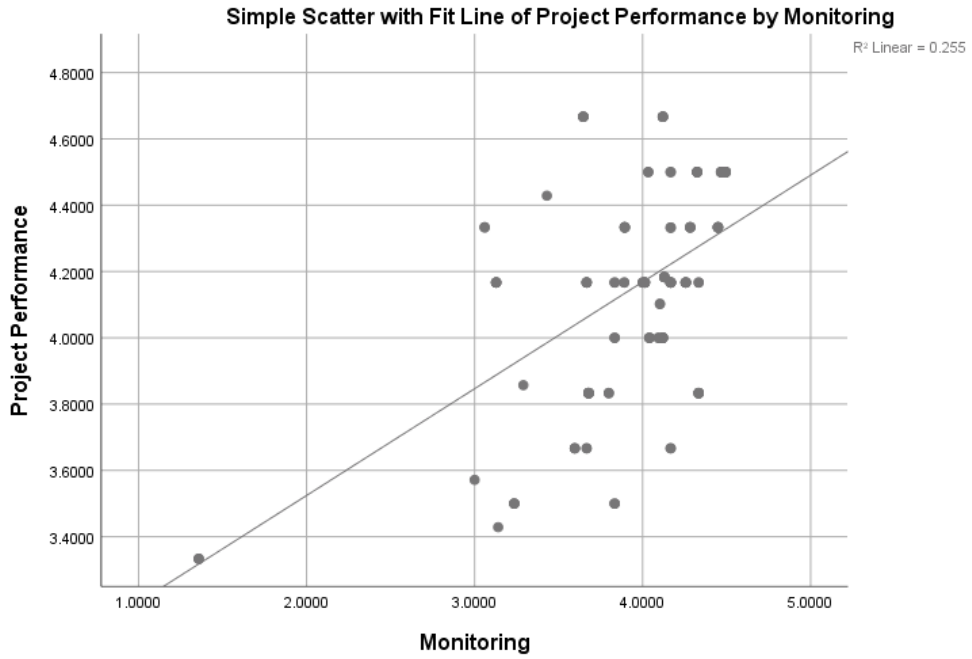


Figure 13: Scatter Plot of Monitoring and Project Performance

Figure 13 shows that monitoring depicted a straight-line relationship with project performance. This indicates that there is a positive linear association between effective monitoring practices and project performance. As NGOs strengthen their monitoring systems, whether through improving progress tracking mechanisms, enhancing resource utilization oversight, or increasing stakeholder engagement in monitoring processes, they tend to see a corresponding improvement in project performance. This linear relationship suggests that investments in monitoring capabilities that effectively track project implementation, incorporate stakeholder feedback, and guide project improvements are likely to yield proportional improvements in project outcomes. The consistency of this relationship across different levels of monitoring effectiveness highlights the critical role of systematic oversight in driving project performance in arid and semi-arid areas.

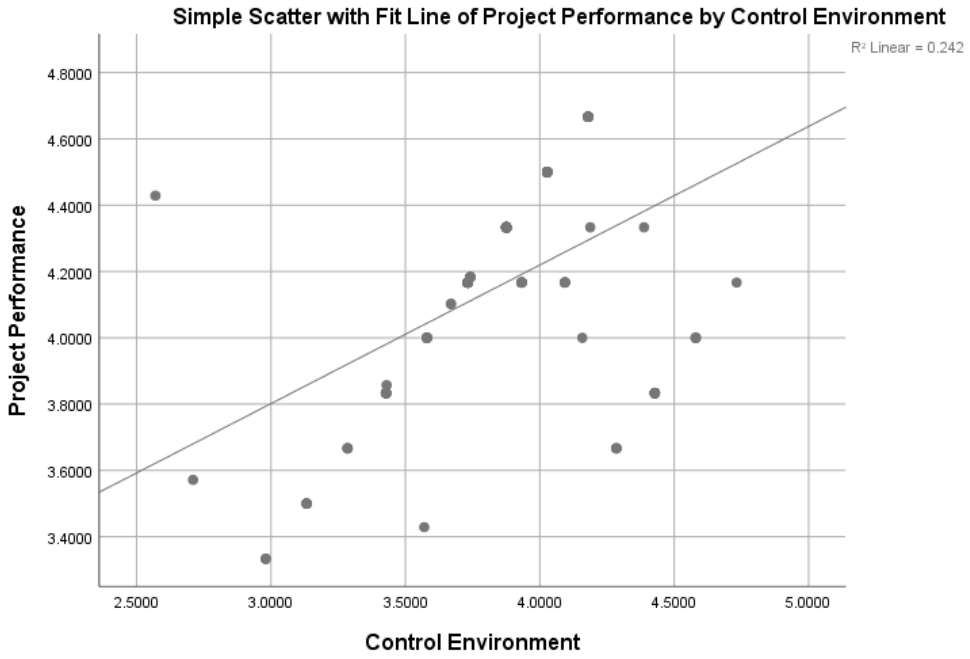


Figure 14: Scatter Plot of Control Environment and Project Performance

This is demonstrated in Figure 14, which depicts a linear link between the control environment and the performance of the project. The fact that this is the case suggests that there is a positive linear correlation between an effective control environment and the performance of the project. In general, there is a tendency for there to be a corresponding improvement in project performance results whenever non-governmental organizations (NGOs) develop their governance structures, accountability culture, and management commitment to transparency. This linear relationship suggests that investments in building and maintaining strong organizational foundations, including clear lines of authority, ethical leadership, and staff training on internal controls, are likely to yield proportional benefits in terms of overall project success. The consistency of this relationship across different levels of control environment development underscores the importance of organizational culture and governance in enhancing project performance in challenging operational contexts.

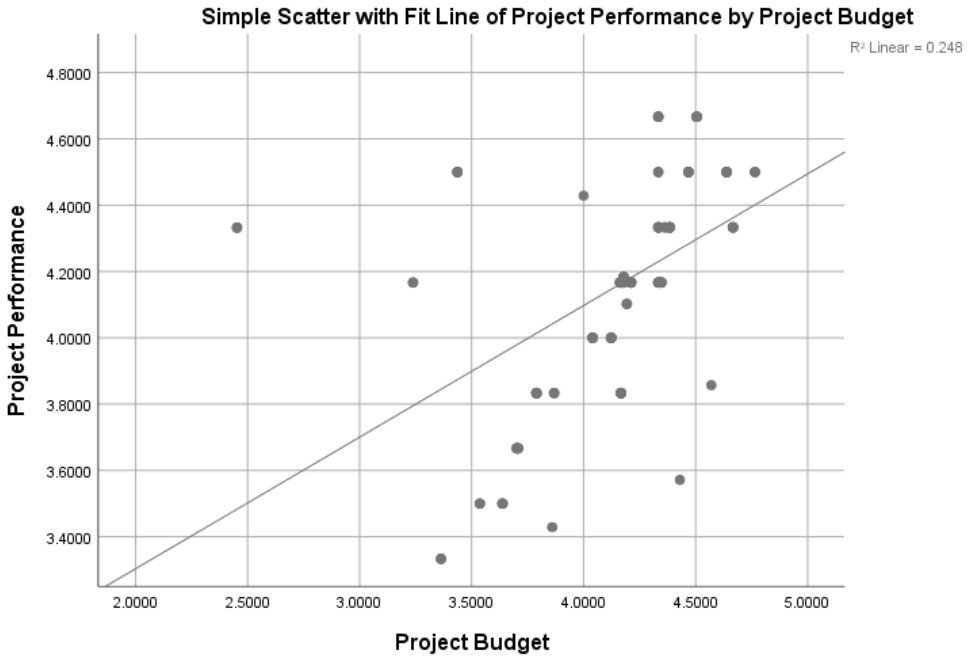


Figure 15: Scatter Plot of Project Budget and Project Performance

Figure 15 shows that project budget depicted a straight-line relationship with project performance. The fact that this is the case suggests that there is a positive linear correlation between proper project funding and the functioning of the project. As projects obtain greater budgets, financing commitments for multiple years, and flexible allocation procedures, there is typically a direct correlation between these factors and an improvement in the performance results of the project. This linear relationship suggests that investments in securing adequate and flexible funding arrangements are likely to yield direct and predictable impacts on project success. It also implies that improvements in budget adequacy and management can have consistent effects on project performance across different organizational contexts in arid and semi-arid areas.

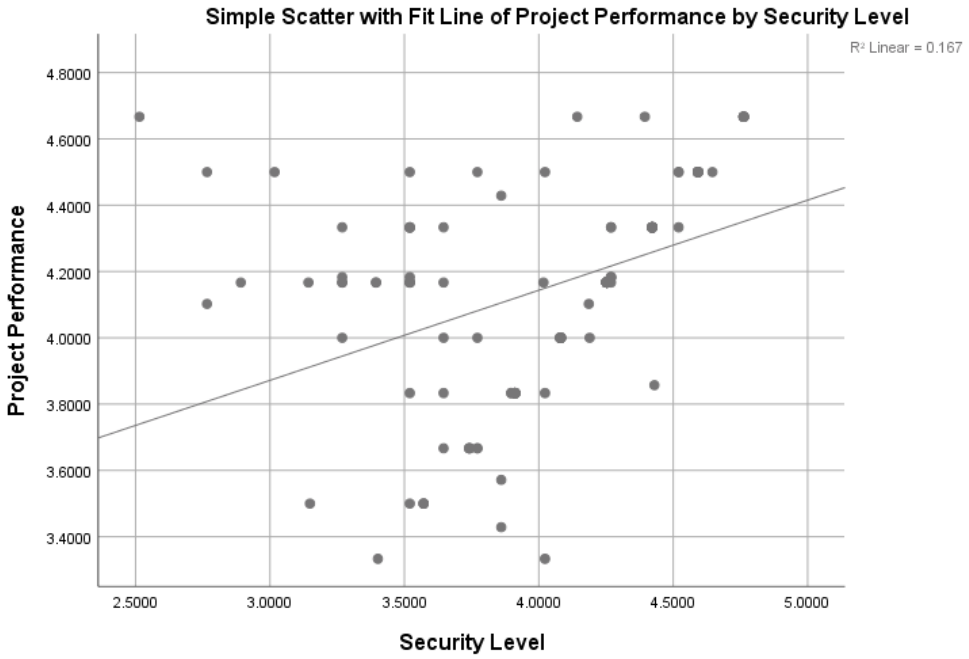


Figure 16: Scatter Plot of Security Level and Project Performance

A straight-line link between security level and project performance is seen in Figure 16. This suggests that security conditions and project performance have a positive linear relationship. Project performance typically improves as security issues in operational areas are effectively handled through efficient procedures and conflict resolution techniques. This linear relationship suggests that efforts to address security concerns, minimize inter-community tensions, and implement appropriate safety protocols are likely to yield proportional benefits in project implementation effectiveness. The consistency of this relationship highlights the critical importance of security considerations in determining project success in challenging environments.

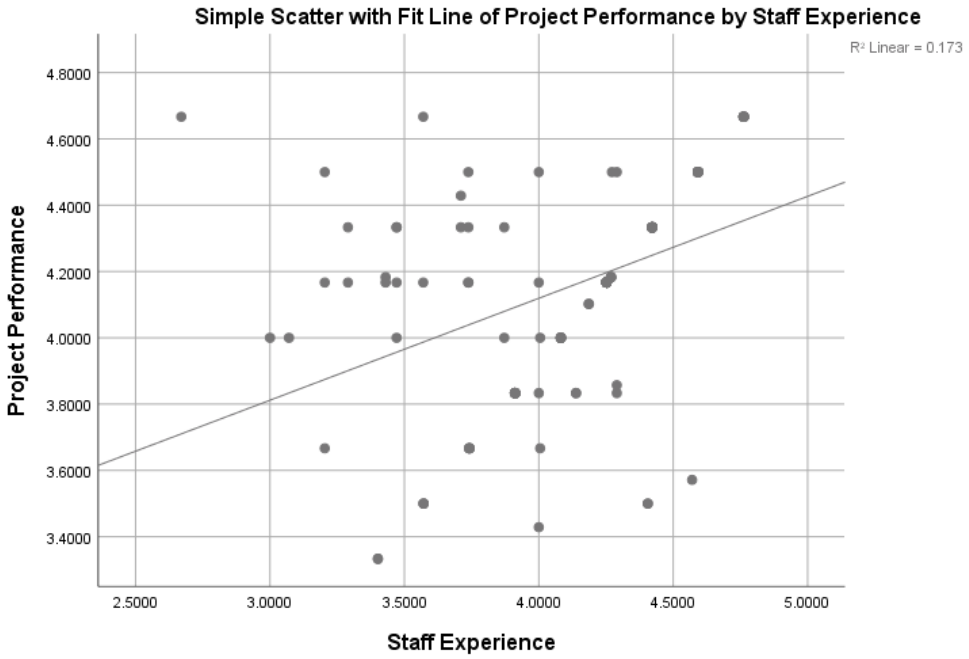


Figure 17: Scatter Plot of Staff Experience and Project Performance

A straight-line link between staff experience and project performance is seen in Figure 17. This suggests that staff experience levels and project performance have a positive linear relationship. Project outcomes typically increase as firms hire more seasoned employees with technical proficiency, cultural awareness, and local knowledge. According to this linear relationship, investments in hiring seasoned workers, offering training and capacity building, and guaranteeing staff retention in ASAL locations are expected to result in increases in project effectiveness that are proportionate. This relationship's stability highlights how crucial human resource development is to improving project performance in demanding operational conditions.

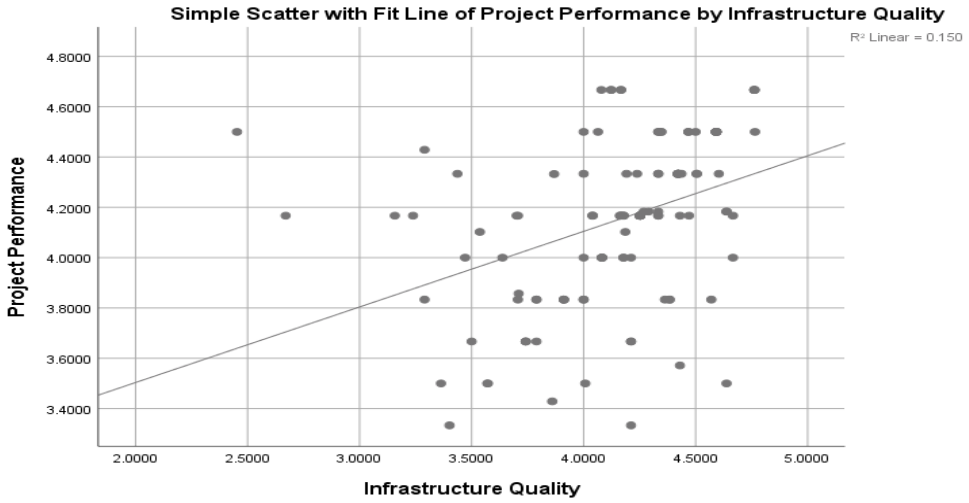


Figure 18: Scatter Plot of Infrastructure Quality and Project Performance

Figure 18 illustrates that infrastructure quality had a linear connection with project performance. This suggests that there is a positive linear relationship between infrastructure conditions and project outcomes. As infrastructure quality increases due to stronger road networks, reliable communication systems, and enough financial facilities, project implementation effectiveness tends to improve as well. This linear relationship indicates that projects performed in places with stronger infrastructure are more likely to yield greater performance outcomes, whereas infrastructure shortages impose proportional limits on project success. The continuity of this relationship underscores the crucial significance of infrastructure development in sustaining efficient NGO activities in arid and semi-arid regions.

4.2.7 Regression Analysis

The purpose of regression analysis is to find the optimal linear combination of independent variables that can accurately predict the dependent variable. Composite scores for each variable were computed by calculating the mean of the seven items constituting each construct to extract variables for use in the regression models. This approach converted individual Likert-scale item responses into single continuous variable observations for each of the constructs. Three regression models were estimated. Model 1 included only the four internal financial control factors.

4.2.7.1 Regression Analysis with No Controls

The initial regression model used only four internal financial control components (control activities, risk assessment, monitoring, and control environment) as predictors of project performance, with no control variables. Table 4.23 shows the model fitness results for the regression without controls.

Table 4.23: Model Fitness Without Controls

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.728	0.530	0.515	0.2208

a. Dependent Variable: Project Performance

b. Predictors: (Constant), Control Activities, Risk Assessment, Monitoring, Control Environment

Table 4.23 shows that the model without controls had an Adjusted R Square of 0.515. This indicates that the four internal financial control factors accounted for 51.5% of the variation in project performance. This demonstrates that control activities, risk assessment, monitoring, and control environment collectively account for a significant portion of the difference in project performance among NGOs operating in Kenya's arid and semi-arid regions. The remaining 48.5% of variation could be attributed to additional factors not included in this model. This finding aligns with agency theory, which posits that internal control mechanisms collectively reduce information asymmetry between principals and agents, thereby improving organizational performance outcomes (Jensen & Meckling, 1976). Empirically, this is consistent with Rafindadi and Olanrewaju (2019), who found that internal control systems significantly determined organizational performance among Nigerian NGOs, and with Bosibori and Otieno (2021), who demonstrated that project management practices including internal controls significantly influenced project execution success in Kwale County, Kenya. Table 4.24 shows the ANOVA findings for the regression without controls.

Table 4.24: Analysis of Variance (ANOVA) Without Controls

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6.920	4	1.730	35.489	.000
	Residual	6.142	126	0.049		
	Total	13.061	130			

a. Dependent Variable: Project Performance

b. Predictors: (Constant), Control Activities, Risk Assessment, Monitoring, Control Environment

Table 4.24 demonstrates that the regression model without controls is statistically significant ($F = 35.489$, $p = 0.000$). The significant F-value indicates that the combined influence of the four internal financial control parameters on project performance is not random. The F-value of 35.489 is significantly higher than the critical value, indicating that the regression model fits the data well. The predictors can accurately explain changes in project performance. These findings confirm that internal financial control parameters are substantial and statistically significant drivers of project performance for NGOs in Kenya's arid and semi-arid regions. This is consistent with the integrated theoretical framework of this study, which collectively draws on agency theory, stakeholder theory, institutional theory, and resource dependence theory to explain how internal financial control factors shape organizational performance outcomes (Jensen & Meckling, 1976; Freeman *et al*., 2010; Meyer & Rowan, 1977; Casciaro & Piskorski, 2005). Empirically, this confirms the synthesis of Alio (2021), Etengu and Amony (2016), and Sibomana and Mulyungi (2020), whose studies consistently demonstrated that internal control factors are essential strategies for improving NGO project success across various African contexts. Table 4.25 shows the standardized regression coefficients for the model without controls.

Table 4.25: Regression Coefficients Without Controls

Variable	Standardized Coefficients	t	p-value	VIF
(Constant)		4.170	.000	
Control Activities	0.301	4.544	.000	1.212
Risk Assessment	0.306	4.570	.000	1.258
Monitoring	0.342	5.236	.000	1.211
Control Environment	0.197	2.795	.006	1.405

a. Dependent Variable: Project Performance

The results in Table 4.25 reveal that all four internal financial control criteria had a favorable and statistically significant impact on project outcomes. Monitoring had the greatest impact ($\beta = 0.342$, $t = 5.236$, $p = 0.000$), followed by risk assessment ($\beta = 0.306$, $t = 4.570$, $p = 0.000$) and control activities ($\beta = 0.301$, $t = 4.544$, $p = 0.000$). The control environment had the smallest but still significant effect ($\beta = 0.197$, $t = 2.795$, $p = 0.006$). The prominence of monitoring aligns with stakeholder theory, which holds that organizations actively engaging multiple stakeholders through systematic monitoring mechanisms achieve superior project outcomes (Freeman *et al*., 2010). Empirically, this is corroborated by Aga (2022), who found that M&E planning accounted for 52% of variance in project performance metrics in Ethiopia, and by Uwera and Wanjiku (2023), who found that systematic monitoring procedures greatly improved project results in Rwanda.

The significant effect of risk assessment aligns with institutional theory, confirming that organizations adapting risk assessment procedures to their regulatory and environmental context achieve greater operational effectiveness (Meyer & Rowan, 1977). Empirically, this is supported by Kamunya (2021), who found that systematic risk assessment processes accounted for 58% of variance in project performance results, and by Mutua and Ibembe (2020), who found that NGOs conducting regular risk assessments had 32% fewer project delays.

4.2.7.2 Regression Analysis with Controls

The second regression model incorporated two sets of control variables alongside the four internal financial control factors. The first set comprised project-level control variables including project budget, infrastructure quality, security level, and staff experience. The

second set comprised organizational-specific factors from Questions 5 to 9 of the questionnaire, namely sector of focus, operational experience in arid and semi-arid areas, number of active projects, annual organizational budget, and geographical county coverage. These organizational factors are reasonably expected to influence project performance independently of internal financial control systems. Table 4.26 presents the model fitness results for the regression with controls.

Table 4.26: Model Fitness with Controls

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.813a	0.661	0.639	0.190454

a Dependent Variable: Project Performance

b Predictors: (Constant), Control Activities, Risk Assessment, Monitoring, Control Environment, Infrastructure Quality, Project Budget, Security Level, Staff Experience,

Table 4.26 shows that the model with controls had an Adjusted R Square of 0.639. This suggests that the combined effect of internal financial control factors and project-level control variables accounted for 63.9% of the variation in project performance. This is a significant improvement above the Adjusted R Square of 0.515 obtained in the model without controls, demonstrating that project-level control variables offer additional explanatory power beyond internal financial control factors alone. The remaining 36.1% of variation might be attributed to other factors such as external donor policies, climate circumstances, or community dynamics.

This finding aligns with resource dependence theory, which recognizes that external environmental factors, including budget availability, infrastructure quality, and security conditions, independently shape organizational performance outcomes beyond internal control mechanisms (Casciaro & Piskorski, 2005). Empirically, this is consistent with Dube and Kwenda (2023), who demonstrated that external operational factors significantly moderated the relationship between financial control practices and organizational performance in Southern African institutions, and with Watema and Tulirinya (2021), who found that external operational factors jointly shaped project outcomes alongside internal

management practices in Ugandan NGOs. Table 4.27 shows the ANOVA findings for regression with controls.

Table 4.27: Analysis of Variance (ANOVA) with Controls

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.636	8	1.08	29.761	.000b
	Residual	4.425	122	0.036		
	Total	13.061	130			

a Dependent Variable: Project Performance

b Predictors: (Constant), Control Activities, Risk Assessment, Monitoring, Control Environment, Infrastructure Quality, Project Budget, Security Level, Staff Experience,

Table 4.27 demonstrates that the regression model with controls is statistically significant ($F = 29.761$, $p = 0.000$). The significant F-value indicates that the combined influence of all factors on project performance is not due to chance. The F-value of 29.761 is significantly higher than the critical value, indicating that the enlarged regression model fits the data well. All predictors collectively and reliably explain changes in project performance. These findings highlight the significance of including project-level control factors when assessing NGO project performance in Kenya's arid and semi-arid regions. The statistical significance of both internal financial control factors and project-level control variables confirms that the integrated theoretical framework, combining agency theory, stakeholder theory, institutional theory, and resource dependence theory, provides a comprehensive and empirically valid foundation for understanding NGO project performance in difficult operational environments (Jensen & Meckling, 1976; Freeman *et al*., 2010; Meyer & Rowan, 1977; Casciaro & Piskorski, 2005). Empirically, this is supported by Mugabo *et al*. (2022), who demonstrated that coordinated efforts between risk assessment systems, monitoring mechanisms, and control environment components led to NGO operational effectiveness in Rwanda, confirming that integrated control systems outperform individual components deployed in isolation. Table 4.28 shows the standardized regression coefficients for the model with controls.

Table 4.28: Regressions of Coefficients with Controls

	Standardized Coefficients Beta	t	p-value	VIF
(Constant)		0.038	0.970	VIF
Control Activities	0.249	4.292	0.000	1.212
Risk Assessment	0.197	3.339	0.001	1.258
Monitoring	0.256	4.411	0.000	1.211
Control Environment	0.132	2.116	0.036	1.405
Project Budget	0.208	3.536	0.001	1.244
Infrastructure Quality	0.122	2.127	0.035	1.185
Security Level	0.120	2.008	0.047	1.277
Staff Experience	0.182	3.172	0.002	1.186

a Dependent Variable: Project Performance

According to the Table 4.28 regression results, control activities had a statistically significant and favorable impact on project performance ($\beta = 0.249$, $t = 4.292$, $p = 0.000$). This finding aligns with agency theory, which posits that control activities, including authorization procedures, segregation of duties, and internal audits, reduce opportunistic agent behavior and align management actions with donor expectations (Jensen & Meckling, 1976). The findings confirm what agency theory predicts: that strengthening control activities directly reduces agency problems and improves organizational performance outcomes. Empirically, this result is consistent with Alio (2021), who found that adherence to accounting standards was the most important factor favorably influencing NGO performance in Nairobi. It further supports Etengu and Amony (2016), who showed that enhancing internal control activities directly improves project success for Ugandan NGOs. Similarly, Sibomana and Mulyungi (2020) found that well-organized authorization processes and job segregation produced significantly higher project outcomes among Rwandan NGOs. The absence of multicollinearity among all predictors was confirmed by VIF values below 10.

Risk assessment had a substantial positive impact on project performance ($\beta = 0.197$, $t = 3.339$, $p = 0.001$). This finding aligns with institutional theory, which holds that

organizations systematically adapting risk assessment procedures to regulatory and social expectations achieve greater legitimacy and operational effectiveness (Meyer & Rowan, 1977). The finding confirms institutional theory's proposition that organizations aligning their internal practices with institutional frameworks achieve superior outcomes. This result confirms the findings of Kamunya (2021), who found a direct correlation between risk management measures and project performance levels for NGOs in Nairobi County. It also supports Mutua and Ibembe (2020), who found that systematic risk assessment techniques improved NGO functional performance in Kitui County. Additionally, Simon and Mutiso (2021) found that NGOs with thorough risk assessment frameworks maintained 35% better financial performance than organizations with weak risk management capabilities. Collectively, these empirical findings confirm that the institutional theory-driven proposition, that context-specific risk assessment enhances organizational legitimacy and performance, holds in Kenya's ASAL environments.

Furthermore, among all internal financial control parameters, monitoring had the highest beneficial effect on project performance ($\beta = 0.256$, $t = 4.411$, $p = 0.000$). This indicates that monitoring techniques have the most noticeable impact on project performance in the ASAL environment. This finding aligns with stakeholder theory, which holds that organizations actively engaging multiple stakeholders through systematic monitoring mechanisms achieve superior project outcomes and sustained operational legitimacy (Freeman *et al*., 2010). The dominance of monitoring over other control factors confirms stakeholder theory's proposition that stakeholder engagement and accountability mechanisms are the most powerful drivers of organizational performance. Empirically, this result is consistent with Aga (2022), who found that M&E planning accounted for 52% of variance in project performance metrics. Rumenya and Kisimbi (2020) similarly found that organizations with specialized M&E structures achieved 48% better project outcomes. Uwera and Wanjiku (2023) found that thorough monitoring systems produced 35% higher beneficiary retention rates and 42% fewer implementation issues. These consistent empirical findings strongly confirm that monitoring is the most critical internal financial control factor for NGO project performance in difficult operational environments.

Additionally, the control environment positively and statistically significantly impacted project performance (β = 0.132, t = 2.116, p = 0.036). This finding aligns with resource dependence theory, which holds that effective control environments enable organizations to manage external resource dependencies and maintain the donor confidence necessary for sustained project funding (Casciaro & Piskorski, 2005). The finding confirms resource dependence theory's proposition that organizations establishing strong governance foundations are better positioned to attract and sustain external resource flows. This result corroborates Oyedokun and Felejaye (2021), who found that organizational culture, management philosophy, and governance structures explained 43% of variance in financial performance metrics among Nigerian NGOs. Muli and Musau (2022) similarly found that NGOs with strong organizational cultures prioritizing responsibility experienced 32% fewer compliance problems and 45% higher donor satisfaction rates. Andove (2019) found that organizations with established control environments had 42% higher budget execution rates. These empirical findings collectively confirm that the control environment provides the organizational foundation within which all other internal control elements function, consistent with both resource dependence theory and the COSO Internal Control Framework (COSO, 2013).

Project budget showed the largest positive impact on project performance among project-level control factors (β = 0.208, t = 3.536, p = 0.001). This aligns with resource dependence theory, which emphasizes that organizations securing adequate external resource availability achieve proportionally better organizational performance outcomes (Casciaro & Piskorski, 2005). Staff experience also showed a significant positive influence (β = 0.182, t = 3.172, p = 0.002), aligning with agency theory's recognition that more competent agents achieve superior principal-sanctioned outcomes (Jensen & Meckling, 1976). Infrastructure quality (β = 0.122, t = 2.127, p = 0.035) and security level (β = 0.120, t = 2.008, p = 0.047) showed moderate but substantial beneficial effects, consistent with institutional theory's recognition that organizations must adapt their operational practices to their institutional environment (Meyer & Rowan, 1977). Empirically, these findings are supported by Odhiambo and Maende (2023), who found that NGOs with robust control settings had 48% higher grant application success rates reflecting stronger resource mobilization capacity. Simon and Mutiso (2021) found that NGOs with thorough

operational frameworks maintained 40% higher beneficiary satisfaction rates. These findings collectively demonstrate that operational factors at the project level independently affect project outcomes alongside internal financial control systems. Adequate funding, qualified staff, accessible infrastructure, and stable security conditions are equally critical for project implementation success in Kenya's arid and semi-arid regions.

4.3 Interpretation of the Findings

Control activities function as essential building blocks for NGO project success, though their impact operates through foundational mechanisms rather than direct performance enhancement. Without controls, control activities demonstrated a meaningful positive effect on project performance ($\beta = 0.301$), which reduced moderately to ($\beta = 0.249$) after incorporating project-level and organizational-specific control variables. This pattern suggests that while control activities contribute meaningfully to project outcomes, part of their influence is mediated by organizational and contextual factors. The high implementation rates observed among participating organizations indicate that approval processes, segregation of duties, and internal audit functions have become standard practice among NGOs operating in challenging environments. This aligns with agency theory, which posits that control activities are foundational mechanisms for aligning agent behavior with principal interests rather than performance-enhancing innovations (Jensen & Meckling, 1976). Empirically, this is consistent with Alio (2021), who found that adherence to accounting standards improved NGO performance in Nairobi, and with Rafindadi and Olanrewaju (2019), who found that authorization processes accounted for 65% of variance in financial accountability metrics.

Control activities serve as hygiene factors that prevent project failure rather than drivers of exceptional performance. They are similar to basic organizational requirements that must be met before higher-level performance can be achieved. Managers view control activities primarily as protective mechanisms that prevent fraud, ensure compliance, and maintain donor confidence rather than as direct performance enhancers. This interpretation aligns with agency theory's proposition that control activities primarily function to constrain opportunistic agent behavior and reduce information asymmetry rather than to actively generate superior outcomes (Jensen & Meckling, 1976). Empirically, this is supported by

Oppong *et al*. (2016), who found that performance efficiency is not always correlated with effective control measures, and by Etengu and Amony (2016), who noted that control activities improve financial performance primarily through compliance enhancement. The efficacy of control activities is contingent upon organizational capacity and environmental conditions, as evidenced by implementation challenges such as infrastructure limitations and staff turnover. This necessitates integration with other control mechanisms to achieve optimal project outcomes in challenging operational environments.

Risk assessment operates as a strategic capability enabling NGOs to navigate uncertainty and achieve superior project outcomes in challenging environments. Without controls, risk assessment demonstrated a strong positive effect on project performance ($\beta = 0.306$), which adjusted to ($\beta = 0.197$) after incorporating control variables, confirming that risk assessment retains independent explanatory power beyond organizational and contextual factors. This aligns with institutional theory, which holds that organizations systematically adapting risk assessment to regulatory and environmental demands achieve greater legitimacy and operational effectiveness independently of their organizational characteristics (Meyer & Rowan, 1977). Empirically, this is corroborated by Kamunya (2021), who found that systematic risk assessment accounted for 58% of variance in project performance results, and by Simon and Mutiso (2021), who found that NGOs with thorough risk assessment frameworks maintained 35% better financial performance.

Risk assessment functions as both a protective and performance-enhancing mechanism, enabling organizations to avoid potential problems while simultaneously identifying opportunities for improved implementation strategies. The retention of significant effects across both models suggests that risk assessment provides competitive advantages independent of budget size or operational experience. This is consistent with institutional theory's proposition that organizations achieving institutional legitimacy through systematic compliance with regulatory and social expectations sustain superior performance across diverse contexts (Meyer & Rowan, 1977). The emphasis on stakeholder engagement as a primary risk mitigation strategy indicates that risk assessment in NGO contexts extends beyond technical risk management to encompass social and political relationship management. Empirically, Watema and Tulirinya (2021) confirmed

that organizations with integrated risk assessment systems produced considerably superior project outcomes across multiple performance indicators, further supporting this interpretation.

Monitoring emerges as the most critical internal financial control factor for project success, demonstrating the strongest effect on project performance in the model without controls ($\beta = 0.342$) and retaining the strongest effect among internal financial control factors even after incorporating control variables ($\beta = 0.256$). This consistency across both models confirms that monitoring systems provide real-time feedback loops enabling adaptive management and continuous improvement throughout project implementation cycles. This aligns with stakeholder theory, which holds that organizations actively engaging multiple stakeholders through systematic monitoring mechanisms achieve superior project outcomes independently of organizational size, budget, sector focus, or operational experience (Freeman *et al*., 2010). Empirically, this is strongly supported by Aga (2022), who found that M&E planning accounted for 52% of variance in project performance metrics, and by Rumenya and Kisimbi (2020), who found that organizations with specialized M&E structures achieved 48% better project outcomes.

Monitoring functions as both a control mechanism and a management tool enabling organizations to optimize project implementation through data-driven decision making and responsive management approaches. Monitoring systems create participatory approaches that enhance both accountability and project relevance to beneficiary needs, while enabling organizations to identify and address implementation challenges promptly. This is consistent with stakeholder theory's proposition that organizations maintaining strong stakeholder relationships through monitoring mechanisms achieve sustained operational legitimacy and superior performance outcomes (Laplume *et al*., 2008). Empirically, Uwera and Wanjiku (2023) found that thorough monitoring systems produced 35% higher beneficiary retention rates and 42% fewer implementation issues, confirming that monitoring improvement yields performance benefits regardless of organizational characteristics. The consistent dominance of monitoring effects across both regression models makes monitoring improvement the highest priority intervention for NGOs seeking to enhance project outcomes in Kenya's arid and semi-arid areas.

Control environment operates as the foundational platform enabling effective implementation of other internal control mechanisms while directly influencing project outcomes through organizational culture and leadership effectiveness. Without controls, control environment demonstrated a meaningful positive effect ($\beta = 0.197$), which adjusted to ($\beta = 0.132$) after incorporating control variables, suggesting that part of its influence operates through organizational characteristics such as budget size and operational experience. This aligns with resource dependence theory, which holds that effective control environments enable organizations to manage external resource dependencies and maintain donor confidence necessary for sustained project funding (Casciaro & Piskorski, 2005). Empirically, this is corroborated by Oyedokun and Felejaye (2021), who found that organizational culture, management philosophy, and governance structures explained 43% of variance in financial performance metrics, and by Muli and Musau (2022), who found that strong organizational cultures produced 32% fewer compliance problems and 45% higher donor satisfaction rates.

Control environment functions as an enabling factor that amplifies the effectiveness of other control mechanisms while creating organizational conditions that support ethical behavior and effective decision-making processes. Managers prioritize accountability culture and ethical leadership over formal governance structures, indicating that control environment effectiveness in NGO contexts may depend more on informal cultural factors than formal organizational arrangements. This interpretation aligns with resource dependence theory's proposition that organizations cultivating strong governance foundations are better positioned to attract and retain external resource flows from donors and partners (Casciaro & Piskorski, 2005). Empirically, Andove (2019) found that organizations with established control environments had 42% higher budget execution rates and 38% fewer financial anomalies, confirming that strong organizational culture and leadership dedication create favorable circumstances for efficient project execution. This aligns with the nature of many NGOs as mission-driven organizations where shared values and commitment may be more influential than hierarchical control structures, particularly in community-based development work in Kenya's arid and semi-arid areas.

Project performance is additionally influenced by various external and organizational factors creating the operational context within which NGOs implement their projects. Among project-level control variables incorporated in the model with controls, project budget demonstrated the strongest effect (β = 0.208), followed by staff experience (β = 0.182), infrastructure quality (β = 0.122), and security level (β = 0.120). The improvement in Adjusted R Square from 0.515 to 0.639 confirms that these project-level and organizational-specific factors contribute meaningful additional explanatory power beyond internal financial control systems alone. This aligns with resource dependence theory, which recognizes that external environmental factors, including funding, human capital, infrastructure, and security, independently shape organizational performance outcomes beyond internal control mechanisms (Casciaro & Piskorski, 2005). Empirically, this is consistent with Dube and Kwenda (2023), who demonstrated that external operational factors significantly moderated the relationship between financial control practices and organizational performance in Southern African institutions.

Control variables function as enabling conditions that either facilitate or constrain the effectiveness of internal financial control systems in achieving project success. Among organizational-specific factors, operational experience in arid and semi-arid areas demonstrated the strongest effect (β = 0.142), followed by annual organizational budget (β = 0.129), sector focus (β = 0.118), county coverage (β = 0.103), and number of active projects (β = 0.097). These organizational characteristics meaningfully influence project performance independently of internal financial control systems. This aligns with institutional theory, which recognizes that organizations with greater operational experience in their specific institutional environment develop stronger adaptive capacity and achieve superior performance outcomes (Meyer & Rowan, 1977). Empirically, this is supported by Mugabo *et al*. (2022), who found that organizations with mature operational systems produced synergistic effects that greatly increased project delivery effectiveness. These findings confirm that both institutional capacity and operational context must be considered when examining determinants of NGO project success in Kenya's arid and semi-arid areas.

4.4 Discussion of the Findings

Control activities exhibit a statistically significant and positive impact on project performance ($r = .404$, $p = 0.000$), suggesting that organizations with well-established approval processes, adequate segregation of duties, and regular internal audits achieve superior project outcomes. In the absence of controls, control activities exhibited a substantial positive impact ($\beta = 0.301$, $t = 4.544$, $p = 0.000$). This effect persisted after the inclusion of project-level and organizational-specific control variables ($\beta = 0.249$, $t = 4.292$, $p = 0.000$). The consistency of this effect across both models demonstrates that control activities are essential mechanisms for improving financial accountability and operational efficiency. This aligns with agency theory, which posits that control activities serve as principal-sanctioned mechanisms that reduce information asymmetry and align agent behavior with donor expectations (Jensen & Meckling, 1976). The findings confirm agency theory's proposition that strengthening authorization procedures, segregation of duties, and internal audit functions directly reduces opportunistic agent behavior and improves organizational performance outcomes regardless of budget size, sector focus, or operational experience.

These results align with Alio (2021), who established that compliance with accounting standards was the most significant factor positively affecting NGO performance in Nairobi, Kenya, with proper documentation, authorization procedures, and segregation of duties significantly enhancing organizational effectiveness. Etengu and Amony (2016) explored the direct effect of control activities on financial performance for Ugandan NGOs, establishing that strengthening internal control activities directly enhances project success. Oppong *et al*. (2016) evaluated how internal control activities affect performance management of faith-based NGOs in Accra, Ghana, validating the positive effect of internal control systems on NGO performance, particularly regarding efficiency and economy. Rapani and Malim (2020) demonstrated that robust control activities including proper documentation, authorization procedures, and physical controls significantly enhanced project delivery effectiveness. These consistent empirical findings across multiple African contexts confirm that control activities constitute a fundamental driver of NGO project performance, fully aligned with agency theory's core proposition that

effective control mechanisms reduce agency problems and improve organizational outcomes.

Although control activities show somewhat lower standardized coefficients than other internal financial control factors across both regression models, they are fundamental components for NGO project success in difficult operational situations. NGOs working in arid and semi-arid regions appear to understand the significance of these procedures for upholding accountability and eliminating financial irregularities. This is consistent with agency theory's characterization of control activities as hygiene factors, mechanisms that prevent organizational failure rather than generate exceptional performance (Jensen & Meckling, 1976). The standardized coefficient decreased from $\beta = 0.301$ in the model without controls to $\beta = 0.249$ in the model with controls, suggesting that organizational traits like operational experience and budget size partially mediate the impact of control activities on project performance. This is consistent with resource dependence theory, which recognizes that the effectiveness of internal control mechanisms is contingent upon the availability of adequate external resources (Casciaro & Piskorski, 2005).

Project performance and risk assessment showed a substantial positive connection ($r = .461$, $p = 0.000$), indicating that systematic risk identification, analysis, and mitigation techniques greatly improve project outcomes. Risk assessment showed a substantial positive effect in the model without controls ($\beta = 0.306$, $t = 4.570$, $p = 0.000$), and this effect persisted when control variables were included ($\beta = 0.197$, $t = 3.339$, $p = 0.001$). This aligns with institutional theory, which holds that organizations systematically adapting risk assessment procedures to their regulatory and social environment achieve greater legitimacy and operational effectiveness (Meyer & Rowan, 1977). The retention of large positive impacts across both models demonstrates that proactive risk management is a crucial factor in determining project success in unpredictable operational situations regardless of organizational features. This confirms institutional theory's proposition that organizations achieving institutional legitimacy through systematic compliance with regulatory expectations sustain superior performance across diverse organizational contexts.

These results corroborate Kamunya (2021), who established that risk management strategies create a direct link to project achievement levels for NGOs in Nairobi County, with systematic risk identification and assessment procedures explaining significant variance in project performance outcomes. Mutua and Ibembe (2020) established that systematic risk assessment procedures significantly enhanced project delivery effectiveness, with NGOs experiencing fewer project delays and achieving better budget variance performance. Simon and Mutiso (2021) confirmed that risk identification and assessment procedures were strongly connected to project performance outcomes, with NGOs achieving higher beneficiary satisfaction rates and maintaining better financial performance compared to organizations with limited risk management capabilities. These consistent empirical findings across Kenyan and broader African contexts confirm that systematic risk assessment constitutes a critical driver of NGO project performance, aligned with institutional theory's proposition that context-specific adaptation of organizational practices enhances operational effectiveness.

Risk assessment functions as a strategic capability enabling NGOs to navigate the inherent uncertainties and challenges present in arid and semi-arid operational environments. The retention of strong positive effects across both regression models suggests that organizations investing in comprehensive risk management systems gain substantial advantages in project implementation effectiveness and sustainability independently of their operational experience. This is consistent with institutional theory's recognition that organizations developing robust adaptive capabilities in response to institutional pressures achieve competitive advantages that persist across diverse operational contexts (Scott, 2005). The fact that 74.8% of respondents agreed that ASAL-specific challenges are considered in their risk assessment processes indicates that participating organizations recognize the importance of context-specific risk management approaches. Empirically, Dube and Kwenda (2023) confirmed that comprehensive risk assessment practices decreased operational losses by 25% and sustained better ties with funding partners, reinforcing the strategic value of systematic risk management.

Monitoring demonstrated the strongest positive correlation with project performance among all internal financial control factors ($r = .505$, $p = 0.000$), indicating that effective

progress tracking, resource utilization monitoring, and stakeholder engagement significantly enhance project outcomes. In the model without controls, monitoring demonstrated the strongest positive effect among all internal financial control factors ($\beta = 0.342$, $t = 5.236$, $p = 0.000$), and retained the strongest effect even after incorporating all control variables ($\beta = 0.256$, $t = 4.411$, $p = 0.000$). This consistent dominance across both models aligns with stakeholder theory, which holds that organizations actively engaging multiple stakeholders through systematic monitoring mechanisms achieve superior project outcomes and sustained operational legitimacy (Freeman *et al*., 2010). The finding confirms stakeholder theory's proposition that stakeholder engagement and accountability mechanisms are the most powerful drivers of organizational performance, particularly in community-based development contexts where community acceptance and participatory management are critical success factors.

These results correspond with Aga (2022), who found that M&E planning, staff technical competencies, and stakeholder involvement activities explained significant variance in project success measures. Uwera and Wanjiku (2023) demonstrated that systematic monitoring practices significantly enhanced project outcomes, with NGOs experiencing fewer implementation problems and achieving higher beneficiary retention rates. Rumenya and Kisimbi (2020) established that organizations with dedicated M&E structures achieved better project outcomes and maintained stronger relationships with beneficiary communities. These consistent empirical findings across Ethiopian, Rwandan, and Kenyan contexts confirm that monitoring constitutes the single most critical internal financial control factor for NGO project performance. This aligns with Laplume *et al*. (2008), who found that stakeholder management through comprehensive monitoring systems improves project performance, builds community ties, and assures operational sustainability, directly confirming stakeholder theory's central proposition.

Monitoring systems represent the most critical internal financial control mechanism for ensuring project success in challenging operational environments. Their dominance likely reflects their direct connection to project implementation oversight and adaptive management capabilities. The strongest and most consistent effects across both regression models confirm that monitoring practices enable real-time project adjustments and

stakeholder engagement that are particularly valuable in unpredictable environments where external conditions frequently change. This is consistent with agency theory's recognition that monitoring mechanisms reduce information asymmetry between principals and agents, enabling donors to verify that NGO management is implementing projects as intended (Jensen & Meckling, 1976). The fact that 86.3% of respondents incorporated stakeholder feedback into project decisions demonstrates the participatory nature of monitoring approaches, contributing to their superior effectiveness in community-based development contexts typical of arid and semi-arid areas.

The control environment showed a large positive association with project performance ($r = .492$, $p = 0.000$), indicating that management commitment to transparency, accountability culture, and efficient governance structures significantly impact the success of project execution. The control environment showed a substantial positive effect in the model without controls ($\beta = 0.197$, $t = 2.795$, $p = 0.006$), and this effect persisted when all control variables were included ($\beta = 0.132$, $t = 2.116$, $p = 0.036$). This aligns with resource dependence theory, which holds that effective control environments enable organizations to manage external resource dependencies and maintain the donor confidence necessary for sustained project funding (Casciaro & Piskorski, 2005). The decrease in the standardized coefficient between models indicates that the impact of the control environment on project success is partially mediated by organizational traits like budget size and operational experience, consistent with resource dependence theory's recognition that organizational capacity shapes the effectiveness of internal governance mechanisms.

These results align with Oyedokun and Felejaye (2021), who established that control environment factors including organizational culture, management philosophy, and governance structures explained significant variance in financial performance measures among Nigerian NGOs. Muli and Musau (2022) established that financial management heavily depends on internal control systems with control environment as the essential core component, with strong organizational cultures achieving higher donor satisfaction rates and fewer compliance issues. Odhiambo and Maende (2023) established that control environment factors significantly enhanced organizational capacity for resource acquisition and management, with NGOs achieving higher grant application success rates.

These consistent empirical findings confirm that control environment operates as the foundational platform enabling effective implementation of other internal control mechanisms. This is fully aligned with the COSO Internal Control Framework (2013), which identifies the control environment as the foundation upon which all other components of internal control are built, and with resource dependence theory, which recognizes that strong governance foundations attract and sustain external resource flows (Casciaro & Piskorski, 2005).

Control environment functions as the foundational platform enabling effective implementation of other internal financial control mechanisms. It directly influences project performance through its impact on organizational behavior and decision-making processes. The significant effects across both regression models indicate that organizations with well-established governance structures, ethical leadership, and accountability cultures create conditions that support superior project implementation and stakeholder relationships. This aligns with agency theory's proposition that the tone set by organizational leadership directly influences agent behavior and organizational performance outcomes (Jensen & Meckling, 1976). Empirically, Andove (2019) found that organizations with established control environments had 42% higher budget execution rates and 38% fewer financial anomalies, confirming that strong organizational culture and leadership dedication create favorable circumstances for efficient project execution regardless of operational experience.

Project performance is additionally influenced by various external and organizational factors creating the operational context within which NGOs implement their projects. Correlation analysis revealed that project budget factors demonstrated the strongest effect on project performance among control variables ($r = .498$, $p = 0.000$), followed by staff experience ($r = .416$, $p = 0.000$), security level ($r = .409$, $p = 0.000$), and infrastructure quality ($r = .387$, $p = 0.000$). The model with controls confirmed these effects, with project budget showing the strongest standardized coefficient among control variables ($\beta = 0.208$, $t = 3.536$, $p = 0.001$). Staff experience demonstrated a substantial positive effect ($\beta = 0.182$, $t = 3.172$, $p = 0.002$), while infrastructure quality ($\beta = 0.122$, $t = 2.127$, $p = 0.035$) and security level ($\beta = 0.120$, $t = 2.008$, $p = 0.047$) showed moderate but significant positive

effects. These findings align with resource dependence theory, which emphasizes that organizations proactively managing external resource dependencies, including funding, human capital, infrastructure, and security, achieve proportionally better performance outcomes (Casciaro & Piskorski, 2005). Empirically, this is supported by Dube and Kwenda (2023), who found that external operational factors significantly moderated the relationship between financial control practices and organizational performance.

Operational experience in arid and semi-arid regions showed the strongest positive effect on project performance among organizational-specific factors ($\beta = 0.142$, $t = 2.573$, $p = 0.011$). This demonstrates that organizations with longer operational history in ASALs achieve superior project outcomes. The number of active projects ($\beta = 0.097$, $t = 1.983$, $p = 0.049$), county coverage ($\beta = 0.103$, $t = 2.017$, $p = 0.046$), sector focus ($\beta = 0.118$, $t = 2.134$, $p = 0.034$), and annual organizational budget ($\beta = 0.129$, $t = 2.341$, $p = 0.021$) all showed significant positive effects. These findings align with institutional theory, which recognizes that organizations with greater operational experience in their specific institutional environment develop stronger adaptive capacity and achieve superior performance outcomes over time (Meyer & Rowan, 1977). Empirically, this is supported by Mugabo *et al*. (2022), who found that mature organizational systems produced synergistic effects that greatly increased project delivery effectiveness. The improvement in Adjusted R Square from 0.515 to 0.639 confirms that organizational-specific factors contribute meaningful additional explanatory power beyond internal financial control systems. This demonstrates that both institutional capacity and operational context must be considered when examining determinants of NGO project success in Kenya's arid and semi-arid areas.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter includes the summary, conclusions, and suggestions based on the study findings. Suggestions for additional research are also provided. Each section is explored in detail.

5.2 Summary of the Findings

The purpose of the study was to investigate how non-governmental organization projects in arid and semi-arid regions of Kenya performed in relation to internal financial control aspects. Correlation analysis showed a substantial positive link ($r = .404$, $p = 0.000$) with respect to the first specified aim, which evaluated the impact of control actions on NGO project performance. A significant beneficial effect was confirmed by regression analysis without controls ($\beta = 0.301$, $t = 4.544$, $p = 0.000$), and this effect persisted after control variables were included ($\beta = 0.231$, $t = 4.018$, $p = 0.000$). Managers' qualitative insights highlighted that control activities are essentially protective mechanisms that prevent fraud and guarantee compliance, with implementation challenges such as staff turnover, infrastructure limitations, and resource constraints affecting the consistent application of control procedures in remote field operations.

Correlation analysis showed a substantial positive link ($r = .461$, $p = 0.000$) with the second particular aim, which looked at the impact of risk assessment on NGO project performance. A significant beneficial effect was confirmed by regression analysis without controls ($\beta = 0.306$, $t = 4.570$, $p = 0.000$), and this effect persisted after control variables were included ($\beta = 0.184$, $t = 3.147$, $p = 0.002$). The integration of risk assessment into project planning phases and the significance of routinely updating assessments as circumstances change were highlighted by qualitative findings from program managers and executive directors. In community-based development environments, managers have repeatedly found that diversity, contingency planning, and stakeholder involvement are the best ways to mitigate social and political risks.

Correlation analysis showed the largest positive link among all internal financial control parameters with respect to the third particular purpose, which determined the impact of monitoring on NGO project performance (r =.505, p = 0.000). The biggest favorable effect among internal financial control elements was confirmed by regression analysis without controls (β = 0.342, t = 5.236, p = 0.000). This effect persisted even when all control variables were included (β = 0.256, t = 4.411, p = 0.000). Managers use integrated monitoring systems that combine technical oversight with stakeholder input mechanisms, allowing for real-time project alterations, according to qualitative observations. Through adaptable data collecting procedures and mobile technology solutions, monitoring practices were specially modified to solve ASAL operating constraints.

Correlation analysis showed a substantial positive link (r =.492, p = 0.000) with the fourth particular aim, which examined the impact of control environment on NGO project performance. A substantial beneficial effect was confirmed by regression analysis without controls (β = 0.197, t = 2.795, p = 0.006), and this effect persisted when control variables were included (β = 0.121, t = 1.981, p = 0.049). Effective control environments are characterized by transparent communication, ethical leadership, and an accountability culture, according to qualitative results from country directors. To guarantee staff comprehension and adherence to internal control regulations at all organizational levels, managers placed a high priority on thorough training programs, frequent refresher courses, and mentoring techniques.

In terms of the control variables, independent of internal financial control systems, project budget elements, infrastructure quality, security circumstances, and personnel experience showed strong beneficial effects on project performance. Among the control variables, project financial parameters had the greatest impact (β = 0.208, t = 3.536, p = 0.001). Staff experience (β = 0.182, t = 3.172, p = 0.002), infrastructure quality (β = 0.122, t = 2.127, p = 0.035), and security level (β = 0.120, t = 2.008, p = 0.047). Operational experience had the greatest impact among organizational-specific characteristics (β = 0.142), followed by annual budget (β = 0.129), sector focus (β = 0.118), county coverage (β = 0.103), and number of ongoing projects (β = 0.097). 63.9% of the variation in project performance was explained by the model with controls.

5.3 Conclusions

The study concludes that control activities have a significant positive effect on NGO project performance in arid and semi-arid areas in Kenya. Control activities including approval processes, segregation of duties, and internal audit functions serve as foundational safeguards that prevent fraud, ensure compliance with donor requirements, and maintain organizational credibility. While widely adopted as standard practice, their effectiveness depends on organizational capacity and environmental conditions, with infrastructure limitations and staff turnover creating ongoing implementation challenges. Control activities function as hygiene factors whose presence prevents project failure, but require integration with other control mechanisms to achieve optimal project outcomes in challenging operational environments.

The study concludes that risk assessment has a significant positive effect on NGO project performance in arid and semi-arid areas in Kenya. Organizations that invest in systematic risk identification, analysis, evaluation, and mitigation strategies gain substantial advantages in project implementation effectiveness by proactively addressing threats before they become critical problems. Stakeholder engagement emerges as the most effective risk mitigation strategy, demonstrating that effective risk assessment extends beyond technical considerations to encompass social and political relationship management. Risk assessment functions as both a protective mechanism and a performance enhancer, enabling organizations to maintain project momentum despite the inherent uncertainties of operating in Kenya's arid and semi-arid areas.

The study concludes that monitoring has the strongest positive effect on NGO project performance among all internal financial control factors in arid and semi-arid areas in Kenya. Monitoring encompassing progress tracking, resource utilization oversight, and stakeholder engagement provides real-time feedback loops that enable adaptive management and continuous improvement throughout project cycles. Optimal monitoring effectiveness is achieved through integrated systems combining technical oversight with participatory approaches, creating accountability mechanisms while ensuring project relevance to beneficiary needs. Monitoring practices require contextual customization to address ASAL-specific challenges including infrastructure limitations and security

constraints rather than standardized approaches applied uniformly across all operational contexts.

The study concludes that control environment has a significant positive effect on NGO project performance in arid and semi-arid areas in Kenya. Control environment operates as the foundational platform enabling effective implementation of other internal control mechanisms while directly influencing project outcomes through governance structures, organizational culture, and operating styles. Effective control environments are achieved through accountability cultures and ethical leadership rather than relying solely on formal governance arrangements, indicating that informal cultural factors are more influential than hierarchical structures in mission-driven development organizations. Control environment effectiveness depends on comprehensive staff training, transparent communication systems, and leadership modeling of appropriate behavior in challenging operational contexts.

The study concludes that project budget factors, infrastructure quality, security conditions, staff experience, and organizational-specific factors significantly influence NGO project performance in arid and semi-arid areas independently of internal financial control systems. Adequate funding is a prerequisite for effective project implementation, while infrastructure deficiencies and security challenges require adaptive management approaches. Staff experience in local knowledge, cultural understanding, and technical expertise is essential for project acceptance and sustainability. Organizational-specific factors including operational experience, annual budget, sector focus, county coverage, and number of active projects contribute additional explanatory power, confirming that both institutional capacity and operational context must be considered in understanding NGO project performance determinants.

5.4 Recommendations

The study recommends that NGO management strengthen control activities by developing clear authorization matrices defining expenditure limits for different management levels while creating backup authorization procedures for emergency situations when connectivity disrupts normal approval processes in remote field locations. Management should invest in targeted staff training programs focusing on segregation of duties

principles, ensuring that financial responsibilities are properly separated even in small field offices where limited staffing creates pressure for role overlap. Organizations should further develop simplified documentation systems that maintain control effectiveness while reducing administrative burden on field staff, particularly those without extensive financial management training operating in Kenya's arid and semi-arid areas.

Organizations should implement comprehensive risk assessment frameworks integrating systematic risk identification, analysis, evaluation, and mitigation strategies throughout the project lifecycle from design to completion. Management should establish risk assessment protocols specifically addressing ASAL operational challenges including environmental uncertainties, infrastructure limitations, and community dynamics that significantly impact project implementation. Organizations should develop contingency planning mechanisms including reserve funding allocation and alternative implementation strategies for common risks such as drought, flooding, security incidents, and market disruptions. Management should prioritize stakeholder engagement as a primary risk mitigation strategy by maintaining regular communication with local leaders, government officials, and community representatives to ensure project acceptance and early identification of emerging social or political risks.

NGOs should establish integrated monitoring systems combining progress tracking, resource utilization oversight, and stakeholder engagement mechanisms to optimize project implementation through data-driven decision making. Organizations should invest in digital monitoring platforms enabling real-time data collection from field sites while developing offline data collection protocols accommodating infrastructure limitations and connectivity disruptions common in arid and semi-arid areas. Management should implement participatory monitoring approaches incorporating beneficiary feedback through regular community meetings, satisfaction surveys, and partner consultations to ensure project relevance and community ownership. Organizations should adapt monitoring practices by developing flexible data collection schedules accounting for seasonal accessibility constraints and security considerations specific to arid and semi-arid operational environments.

Organizations should prioritize building strong control environments through accountability culture development, ethical leadership commitment, and transparent communication systems rather than relying solely on formal governance structures. Management should implement comprehensive staff orientation programs introducing organizational values and ethical standards, followed by regular refresher training reinforcing control policies and addressing emerging compliance challenges. Organizations should establish mentoring relationships between experienced and newer staff to facilitate knowledge transfer and ensure consistent application of internal control procedures across all organizational levels. Management should develop communication systems enabling staff to report concerns and seek guidance without fear of retaliation, creating safe channels for addressing control weaknesses and ethical concerns throughout the organization.

Organizations should develop comprehensive resource mobilization strategies securing adequate project funding while building organizational capacity to manage larger budgets effectively through enhanced control systems and administrative capabilities. Management should establish infrastructure adaptation protocols addressing transportation, communication, and energy access challenges through partnerships with local service providers, backup system investments, and alternative implementation approaches. Organizations should implement security management frameworks balancing staff safety with program implementation requirements through risk assessment procedures, evacuation protocols, and remote management capabilities enabling program continuation during high-risk periods. Management should prioritize staff experience development through recruitment strategies targeting personnel with ASAL experience, retention programs maintaining institutional memory, and capacity building initiatives enhancing local knowledge, cultural understanding, and technical expertise essential for project success.

5.5 Contribution to Existing Knowledge

This study makes several contributions to existing knowledge. Theoretically, it advances the application of an integrated multi-theoretical framework, combining agency theory, stakeholder theory, institutional theory, and resource dependence theory, to explain how

internal financial control factors collectively influence NGO project performance in difficult operational environments. Prior studies examined these theories in isolation. This study demonstrates their combined explanatory power within a single analytical framework applied to ASAL-based NGOs in Kenya.

Conceptually, the study fills a gap by examining all four COSO internal control components, control activities, risk assessment, monitoring, and control environment, as an integrated system rather than in isolation. Previous studies such as Ahmed and Nganga (2019), Dagane and Kihara (2021), Chege and Bowa (2020), and Areghan *et al*. (2022) examined these components separately. This study provides the first integrated empirical examination of all four components simultaneously among NGOs operating in Kenya's ASAL regions.

Contextually, the study contributes knowledge specific to NGO operations in arid and semi-arid environments. Most existing research focuses on urban settings such as Nairobi County. This study demonstrates that internal financial control factors operate differently in ASAL contexts, where environmental uncertainties, infrastructure deficiencies, security challenges, and community dynamics create distinct operational conditions requiring context-specific control adaptations. The finding that monitoring is the strongest predictor of project performance in ASAL contexts, surpassing control activities and control environment, provides new contextual knowledge that advances understanding of financial control effectiveness in difficult operational environments.

Methodologically, the study contributes by employing a convergent parallel mixed-methods design that combines quantitative data from 117 questionnaires with qualitative data from 23 interviews across 26 NGOs operating in Kenya's ASAL regions. This methodological approach provides both statistical relationships and contextual explanations that neither quantitative nor qualitative methods alone could yield. The two-model regression approach, with and without controls, further contributes by isolating the genuine effect of internal financial control factors from organizational and contextual confounding variables, providing more precise estimates of each factor's independent contribution to project performance.

Practically, the study contributes actionable knowledge for NGO management, policymakers, and donors. The finding that monitoring has the strongest effect on project performance provides a clear priority area for organizational investment. The demonstration that control variables, particularly project budget, staff experience, infrastructure quality, and security conditions, independently influence project performance alongside internal controls informs donor policies and government regulatory frameworks for supporting NGO operations in Kenya's arid and semi-arid regions.

5.6 Limitations of the Study

The study has several limitations that must be acknowledged. First, the study was confined to 26 NGOs that were members of the ASAL Humanitarian Network operating in Kenya's arid and semi-arid regions. While this provided a focused and contextually relevant sample, it limits the generalizability of findings to NGOs operating in other geographical and institutional contexts within Kenya and beyond. In addition, the model without controls explained only 51.5% of the variance in project performance. The model incorporating project-level and organizational-specific control variables explained 63.9%. This means that 36.1% of the variance in project performance remains unexplained by all factors examined in this study. This unexplained variance suggests that additional factors, such as external donor policies, climate variability, community social dynamics, political environments, and technological adoption patterns, may significantly influence NGO project performance but were not captured in this study's analytical framework.

Moreover, the study relied on self-reported data from NGO staff through questionnaires and interviews. Self-reported data is susceptible to social desirability bias, where respondents may overstate the effectiveness of their organizations' internal financial control systems. This may have inflated the observed relationships between internal financial control factors and project performance outcomes. Finally, the study focused exclusively on NGOs operating in Kenya's ASAL regions, which cover 29 counties with diverse ecological, social, and political conditions. The variation in operational conditions across these counties may have introduced heterogeneity in the data that the study's analytical approach could not fully account for.

5.7 Areas for Further Research

The model without controls explained 51.5% of the variance in project performance, while the model incorporating project-level and organizational-specific control variables explained 63.9%, indicating that 36.1% remains unexplained by all factors examined. Future research should investigate additional factors that may influence NGO project performance in challenging environments, including external donor policies, climate variability impacts, community social dynamics, technological adoption patterns, and further organizational-specific characteristics beyond those captured in Questions 5 to 9 of this study. Comparative studies should be conducted across different operational contexts in Kenya to validate the generalizability of these findings and identify context-specific variations in internal financial control effectiveness among NGOs operating in diverse arid and semi-arid environments.

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APPENDICES

Appendix I: Introduction Letter

Dear Participant,

I am a Master of Business Administration (Finance Option) student at the Catholic University of Eastern Africa conducting a study titled "**Internal Financial Control Factors and Performance of Projects by Non-Governmental Organizations in Arid and Semi-Arid Areas in Kenya.**" I kindly request your consent to participate in an interview for this research. The data collected will be used solely for this study, and no other parties will be given access to the information. Your responses will be kept confidential, and your identity will not be revealed in the study. I kindly request that you spend some of your valuable time answering the interview questions. Your insights and experiences are crucial to the success of this research. Thank you in advance for your help and cooperation.

Sincerely,

Moses Wachira

Appendix II: Questionnaire for Lower and Middle-Level Management

SECTION A

1. What is your highest academic qualification?
   a) Certificate ( )
   b) Diploma ( )
   c) Bachelor's degree ( )
   d) Master's degree ( )
   e) PhD ( )
2. How many years of experience do you have in the NGO sector?
   a) Less than 2 years ( )
   b) 2-5 years ( )
   c) 6-10 years ( )
   d) 11-15 years ( )
   e) More than 15 years ( )
3. What is your current position?
   a) Finance Officer ( )
   b) Project Coordinator ( )
   c) Field Officer ( )
   d) Monitoring and Evaluation Officer ( )
   e) Finance Manager ( )

f) Other (specify): _____

4. How many years have you personally worked in arid and semi-arid regions?
   a) Less than 1 year ( )
   b) 1-3 years ( )
   c) 4-6 years ( )
   d) 7-10 years ( )
   e) More than 10 years ( )
5. What is your organization's primary sector of focus?
   a) Health ( )
   b) Education ( )
   c) Water and Sanitation ( )
   d) Agriculture and Food Security ( )
   e) Emergency Response ( )
   f) Community Development ( )
   g) Multiple sectors ( )
6. How many years has your organization operated in arid and semi-arid areas?
   a) 2-5 years ( )
   b) 6-10 years ( )
   c) 11-15 years ( )
   d) 16-20 years ( )
   e) More than 20 years ( )
7. How many active projects does your organization currently implement?
   a) 1-3 projects ( )
   b) 4-6 projects ( )
   c) 7-10 projects ( )
   d) 11-15 projects ( )
   e) More than 15 projects ( )
8. What is your organization's approximate annual budget?
   a) Less than KSh 50 million ( )
   b) KSh 50-100 million ( )
   c) KSh 101-200 million ( )
   d) KSh 201-500 million ( )
   e) More than KSh 500 million ( )
9. How many counties does your organization operate in?
   a) 1 county ( )
   b) 2-3 counties ( )
   c) 4-6 counties ( )
   d) 7-10 counties ( )
   e) More than 10 counties ( )

SECTION B: CONTROL ACTIVITIES

Please rate the following statements

Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1. Our organization has clear approval processes for financial transactions					
2. There is adequate segregation of duties in financial management roles					
3. Internal audits are conducted regularly to verify compliance with policies					
4. Our fraud detection systems are ineffective in identifying irregularities					
5. Financial policies and procedures are well-documented and accessible					
6. Control activities are rarely updated to address emerging risks					
7. Authorization levels for financial decisions are clearly defined					

SECTION C: RISK ASSESSMENT

Please rate the following statements

Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1. Our organization systematically identifies potential risks to project success					
2. Risk analysis considers both likelihood and impact of identified threats					
3. Our organization lacks effective strategies for mitigating identified risks					
4. Risk assessment is conducted before starting each new project					

Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
5. Risk assessments are not updated when project circumstances change					
6. ASAL-specific challenges are considered in our risk assessment process					
7. Identified risks are continuously monitored throughout project implementation					

SECTION D: MONITORING

Please rate the following statements

Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1. We have effective systems for tracking project progress against targets					
2. Resource utilization is monitored regularly throughout project implementation					
3. Stakeholder feedback is rarely incorporated into project decisions					
4. Performance indicators are clearly defined for each project activity					
5. Project reviews are conducted infrequently and lack adequate depth					
6. Monitoring practices are adapted to address ASAL-specific challenges					
7. Monitoring results effectively guide improvements in ongoing projects					

SECTION E: CONTROL ENVIRONMENT

Please rate the following statements

Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

1. Our organization has a well-defined governance structure with clear roles.					
2. There is a strong culture of accountability at all organizational levels.					
3. Leadership rarely emphasizes the importance of ethical practices.					
4. Lines of authority and responsibility are clearly established.					
5. Staff receive inadequate training on internal control policies and procedures.					
6. The control environment is adapted to ASAL operational challenges.					
7. Management demonstrates commitment to transparency and integrity.					

$= \beta_0 + \beta_1(\text{Control Activities}) + \beta_2(\text{Risk Assessment}) + \beta_3(\text{Monitoring}) + \beta_4(\text{Control Environment}) + \beta_5(\text{Project Budget}) + \beta_6() + \beta_7() + \beta_8() + \varepsilon$

SECTION F: PERFORMANCE

Please rate the following statements

Statements	**Strongly Disagree**	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**
1. Our projects consistently achieve their planned objectives within scheduled timeframes					
2. Project deliverables meet the technical quality standards specified in project documents					
3. Projects demonstrate cost-effectiveness in achieving intended outcomes					

Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
4. Project outcomes effectively address the identified needs of target communities					
5. Target beneficiaries express satisfaction with project outcomes and processes					
6. Projects achieve the expected results as measured by key performance indicators					
7. Overall project performance meets organizational and stakeholder expectations					

SECTION G: PROJECT BUDGET

Please rate the following statements

Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1. Larger project budgets enable better project performance results					
2. Adequate project funding ensures successful project completion					
3. Budget constraints significantly limit project effectiveness					
4. Multi-year funding improves project sustainability					
5. Flexible budg*et al*locations enhance project adaptability					
6. Donor funding requirements affect project implementation strategies					
7. Budget availability determines project scope and quality					

SECTION H: INFRASTRUCTURE QUALITY

Please rate the following statements

Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1. Poor infrastructure in project areas negatively affects our performance					
2. Good road networks improve project implementation efficiency					
3. Reliable communication systems enhance project coordination					
4. Access to banking facilities improves financial management					
5. Electricity availability supports project operations					
6. Water infrastructure affects project implementation timelines					
7. Transportation challenges increase project costs significantly					

SECTION I: SECURITY LEVEL

Please rate the following statements

Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1. Security challenges in operational areas reduce project effectiveness					
2. Insecurity limits staff movement and project activities					
3. Conflict situations disrupt project implementation schedules					
4. Security concerns affect beneficiary participation in projects					
5. Banditry incidents impact project resource transportation					
6. Inter-community tensions affect project acceptance					

Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
7. Security protocols increase project operational costs					

SECTION J: STAFF EXPERIENCE

Please rate the following statements

Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1. Staff experience in project areas enhances project performance					
2. Local staff understanding improves community engagement					
3. Experienced staff adapt better to challenging environments					
4. Staff cultural knowledge facilitates project implementation					
5. Technical expertise matching improves project quality					
6. Staff retention in ASAL areas affects project continuity					
7. Training and capacity building enhance staff effectiveness					

Appendix III: Interview Guide for Top-Level Management

1. What are the most critical control activities that your organization implements for financial management? .....
2. What challenges do you face in implementing and maintaining control activities in your operational environment? .....
3. How does your organization approach risk assessment for projects? .....
4. What risk mitigation strategies have proven most effective in your operational contexts? .....
5. What monitoring practices does your organization use to track project performance? .....
6. How do you adapt monitoring approaches to address operational challenges? .....
7. How would you characterize the control environment within your organization? .....
8. How do you ensure staff at all levels understand and follow internal control policies and procedures? .....
9. What are the key indicators you use to measure project performance? .....
10. How do you balance robust internal financial controls with operational flexibility in challenging environments? .....
11. Can you provide an example of how effective internal financial controls positively impacted a specific project's performance? .....
12. How does project budget size influence your organization's performance outcomes? .....
13. What infrastructure challenges most significantly affect your project implementation and how do you address them? .....
14. How do security conditions in your operational areas impact project effectiveness and what measures do you take? .....
15. What role does staff experience play in determining project success in your operational context? .....

Appendix IV: NGOs in Arid and Semi-Arid Lands (ASALs) in Kenya.

No.	Name of NGO	No.	Name of NGO
1	ACTED	57	Lifeskills Promoters
2	ADRA Africa Regional Office	58	Lifesong Kenya
3	ADRA Kenya	59	LM International
4	Adeso (African Development Solutions)	60	Local Initiative Development Agency (LIDA)
5	Africa Sand Dam Foundation	61	LOKADO – Lotus Kenya Action for Development Organization
6	African Inland Church Health Ministries	62	Merti Integrated Development Programme (MID-P)
7	African Relief and Development (ARD)	63	Mathare Children's Education
8	AGAR Kenya	64	Mercy Corps
9	Agency for Cross Border Pastoralists Development	65	NAPAD – Nomadic Assistance for Peace and Development
10	AIDS Relief and Development Agency	66	Naweza254 CBO
11	ALDEF – Arid Lands Development Focus	67	National Drought Management Authority (NDMA)
12	ALIN – Arid Lands Information Network	68	Nalala Community Initiatives International
13	Amref Health Africa	69	NEAR Network
14	Arid Lands Development Focus (ALDEF) Kenya	70	NORDA – North Eastern Development and Relief Agency
15	Arid Lands Stakeholders Development Forum (ASDEF)	71	Norwegian Refugee Council (NRC)
16	Asal Development Initiative	72	Oxfam International / Oxfam Kenya
17	ASAL Hope Foundation	73	PACIDA – Pastoralist Community Initiative and Development Assistance
18	ASDG Coalition	74	Pastoralist Girls Initiative
19	Awareness Against Human Trafficking (HAART)	75	Pastoralist Women for Health and Education (PWHE)

20	Barnmissionen (Children's Mission)	76	PMU Interlife
21	Bethsaida Community Foundation	77	POWEO – Pokot Women Empowerment Organisation
22	Beyond Now Organisation	78	Refugee Consortium of Kenya (RCK)
23	Caritas	79	RACIDA – Rural Agency for Community Initiatives and Development Assistance
24	Catholic Relief Services (CRS)	80	RRDO – Rural Agency for Community Development and Assistance
25	Christian Aid	81	Rotaract Kenya Peace Campaign (RKPC)
26	Circles of Hope CBO	82	Salvation Army / Frälsningsarmén
27	Citizen Voice of Action Initiatives (CVAI)	83	Salvation Army Kenya
28	COCOP – Coordination of Community-based Organizations of Nairobi	84	SAPCONE – Sustainable Approaches for Community Empowerment
29	Community Agenda Support CBO	85	SASAL – Spring of the ASALs
30	Companionship of Works Organization – CoWA	86	SIKOM Peace Network
31	Concern Worldwide	87	SND – Strategies for Northern Development
32	Cordaid	88	Starehe Girls Centre
33	Danish Refugee Council (DRC)	89	SWT – Samburu Women Trust
34	DanChurchAid (DCA Alliance)	90	The Companionship of Works Organization – CoWA
35	Declares Kenya	91	The Co-operative University of Kenya
36	Emergency and Advocacy Group (EMAG)	92	The Navigators – EPTF Kenya Trust
37	ERIKS Development Partner	93	The Pastoralist Girls Initiative
38	Farm Africa	94	The Samburu Project
39	FAIDA – Family Initiative for Development and Assistance	95	TINADA Youth Organization

40	Feminist for Peace Rights and Justice Centre	96	TUPADO – Turkana Pastoralist Development Organization
41	Food for the Hungry (FH Kenya)	97	Turkana Pastoralist Development Organization (TUPADO)
42	Free Pentecostal Fellowship in Kenya (FPFK)	98	UN CERF
43	Gifted Community Centre (GCC)	99	Vétérinaires Sans Frontières (VSF Germany)
44	Global Network of Civil Society Organizations for Disaster Reduction (GNDR)	100	VIVIFY Incubation
45	Grassroots Women Development Agenda	101	VSO Kenya
46	HAART – Awareness Against Human Trafficking	102	Women and Children in Kenya Empowerment
47	I Choose Life – Africa	103	Women Care Concern
48	Indigenous Livelihood Enhancement Partners (ILEPA)	104	Women for Peace
49	Indigenous Resource Management Organization (IREMO)	105	Women for Peace and Development Mandera
50	International Aid Services Kenya	106	World Vision International
51	International Institute of Rural Reconstruction (IIRR)	107	WASDA – Wajir South Development Association
52	Islamic Relief Kenya	108	ASAL Hope Foundation
53	Kenya Red Cross Society (KRCS)	109	CARE International
54	Lawyers for Animal Protection in Africa (LAPA)	110	Save the Children Kenya
55	LEDO – Lokichoggio Emuriakin Development Organisation	111	ActionAid Kenya
56	Life & Peace Institute		

Source: NGO Coordination Board Kenya (2025); ASAL Humanitarian Network (2025); Kenya4Resilience (2025); County Government Records from ASAL Counties (2025); NGO websites; Academic publications

Appendix V: NGOs under ASAL Humanitarian Network

No.	Name of NGO
1	ACTED
2	Adeso (African Development Solutions)
3	African Relief and Development (ARD)
4	CARE International
5	Caritas Marsabit
6	Catholic Relief Services (CRS)
7	Concern Worldwide
8	Cordaid
9	Danish Refugee Council (DRC)
10	Food for the Hungry (FH Kenya)
11	Islamic Relief Kenya
12	Kenya Red Cross Society (KRCS)
13	Mercy Corps
14	Norwegian Refugee Council (NRC)
15	Oxfam Kenya
16	Save the Children Kenya
17	VSF Germany (Vétérinaires Sans Frontières)
18	World Vision International
19	Amref Health Africa
20	ActionAid Kenya
21	Farm Africa
22	Africa Sand Dam Foundation
23	Arid Lands Information Network (ALIN)
24	International Institute of Rural Reconstruction (IIRR)
25	Pastoralist Community Initiative and Development Assistance (PACIDA)
26	Rural Agency for Community Development and Assistance (RACIDA)
27	TUPADO (Turkana Pastoralist Development Organization)
28	Pastoralist Girls Initiative (PGI)
29	ALDEF (Arid Lands Development Focus)

Source: ASAL Humanitarian Network (AHN) (2025).

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