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IMPACT OF UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID) FINANCIAL GUIDELINES ON FINANCIAL ACCOUNTABILITY AMONG NGOs IN TARABA STATE

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Abstract

The impact of USAID financial guidelines on the financial reporting of NGOs in Taraba State is understudied. Existing literature on NGOs' compliance with these guidelines is scarce. Proper financial reporting is crucial for transparency and accountability, which are increasingly demanded by funders, taxpayers, and clients. This study aims to assess the impact of USAID financial reporting guidelines on the financial accountability of NGOs in Taraba State. A survey research design was adopted, targeting 286 respondents from senior management and finance/accounting personnel of NGOs in Taraba State. Data were collected through questionnaires and analyzed using descriptive statistics and multiple regression analysis. The findings reveal significant gaps in familiarity and compliance with USAID guidelines among NGOs. There is a strong emphasis on financial discipline and budgetary controls. Compliance with USAID guidelines significantly improves financial accountability, and USAID's capacity-building support enhances financial reporting capabilities. However, stringent reporting requirements may impose administrative burdens affecting project delivery. Financial planning, monitoring, and evaluation practices are generally robust, but there is a need for improved familiarity and compliance with USAID guidelines. Enhancing training and communication, strengthening compliance mechanisms, leveraging internal audits, optimizing resource utilization, improving capacity-building supports, diversifying funding sources, and monitoring the impact of financial reporting requirements on project delivery are recommended to strengthen financial management and operational efficiency.

Keywords: USAID, Non-Governmental Organisation, Financial Accountability.

Introduction

Non-governmental organizations (NGOs) long-term survival and effectiveness are dependent on their financial viability. The constancy of firms in providing good outcomes that not only cover costs but also stimulate firm growth is referred to as financial accountability (Gofman, 2017). Financial accountability, according to Keister (2018), is a company's capacity to cover annual budgets without limits. It signifies that an organization's income or revenue is more than its operational costs. Financially sustainable companies are those with the ability of satisfying all of its resource and financing commitments as well as meet its goals (Mbuya & Osodo, 2018). Financial accountability is a metric used by NGOs to assess how self-sufficient they are and how able they are in meeting financial responsibilities and allocate resources effectively in order to fulfil their missions while meeting the needs of their stakeholders (Chalangat *et al*. 2018).

NGOs play a critical role in delivering education, social help, health and other social welfare practices in third world countries like, therefore their financial viability cannot be overlooked (Aime, 2022). In addition, NGOs assist in raising public awareness about critical problems of concern, such as monitoring government and other institutions' operations for the community's benefit (Goddard & Assad, 2016). NGOs need transparency, accountability and integrity to fulfil their goals. Financial accountability gives NGOs legitimacy and credibility, contributes to their reputation and adds to their accountability. Good financial accountability limits fraud and mismanagement. It also empowers beneficiaries and other stakeholders since information is power (Fremont-Smith, 2018).

In Africa, most of the NGOs have been accused of having a poor resources management strategy resulting in poor service delivery and financial accountability. Even if they have fund, they are not able to utilize it in appropriate manner. In Zimbabwe, most of the local non-governmental organizations are financially unsustainable and risk closing down and stopping service delivery to the needy not reached by government or private sector programmes if external donors pull out (Maxwell, 2018). In 2017, a report by the Independent Development Trust signalled that many NGOs in Nigeria were in serious financial difficulty, and that a number had collapsed. Abdelkarim (2018) noted that it is only NGOs capable of building sound financial systems and attracting or generating steady income flows that will be able to continue to exist shortly.

USAID works closely with partner countries to design and implement programs tailored to their specific needs and priorities. It also collaborates with other U.S. government agencies, international organizations, and non-governmental organizations to leverage resources and expertise for maximum impact. Overall, USAID plays a crucial role in advancing U.S. foreign policy objectives and promoting global development and humanitarian efforts (Mayumana, 2017).

In Taraba state, NGOs are integrated into coalition of civil society organization and there are several civil society organizations (CSOs) operating in Taraba State, Nigeria. These CSOs are involved in various activities such as advocacy, human rights, health, and gender issues. Notable among these NGOs include but not limited to: Centre for Initiative and Development (CFID), Great Step Initiative, Federation of Muslim Womens Association of Nigeria, Justice Development and Peace Commission JDPC, Women and Children Health Empowerment Foundation (WACHEF), Taraba State Water and Sewerage Corporation (TAWASCO)

It has been revealed that USAID has implemented various programs in Taraba state such as water, sanitation, and hygiene (E-WASH) and HIV/AIDS prevention. However, information regarding financial reporting among these NGOs in Taraba State are scanty and only few of these NGOs are said to be benefitting from the project.

Statement of the Problem

The impact of USAID financial guidelines on finanacial reporting of NGOs in taraba state have been understudied. There exists scanty literature on NGOs financial reporting following USAID guidelines. The proper elaboration of proper financial statement is done through the implementation of a proper accounting system that is, the adaptation of USAID financial reporting guidelines, periodic training of accounting personnel, amongst others without which financial reports will not be accurate hence leading to wrong information about the organization's accounts.

Financial accountability has thus been ascendant among NGOs, with demands from funders, taxpayers, and clients for non-profits to be more transparent about their fundraising and spending, how they are governed, and utilization of resources (Ebrahim & Kasturi, 2017). Specifically, NGOs are facing growing scrutiny from regulators and donors to better account for the impact and integrity of their activities as they are seen to influence politics and financing political activities (OECD, 2016). Therefore, lack of accountability is likely to have more negative effect on financial accountability of the public governance NGOs compared to organizations offering basic services.

There has been an increase in the number of NGOS registered in Taraba state in the recent times. However, despite the benefits accrued from the NGOs, most of them have not been financially sustainable with only 10% of the NGOs achieving the desired financial accountability levels (Ebenezer *et al*, 2020). Further, seventy percent of the NGOs collapse before six years of operation. This problem is accrued to inadequate funds to finance their operations and poor levels of financial accountability (NGO Council, 2016).

The effect of financial accountability on the financial accountability of NGOs in Taraba State has not been fully addressed in empirical studies. NHIS (2018) analysed the factors influencing financial accountability of NGOs. The study established that financial accountability could be achieved through diversification on sources of funds, competence of personnel managing the NGOs projects and having a strategic financial plans to guide the institution. Karanja and Karuti (2017) found out that funding in NGOs is a challenge and this has led many projects to end an abruptly and therefore the NGOs need to focus on more sources of funding their projects and partnering with more donors such as USAID. Likewise, Abongó and Ombaba (2018) study discovered that good management of finances is crucial for communities that are funded by donors in order to be financially sustainable. Murithi (2018) study discovered that, despite the fact that NGOs had reporting systems that enable accountability and transparency, accountability levels remained low.

From the above studies, knowledge on financial accountability has been critically assessed but a very fundamental aspect of financial accountability is lacking. Very few studies have been able to show the nexus between financial accountability and financial accountability of NGOs. As a result, the problem of NGO financial accountability in connection to financial reporting is yet to be thoroughly investigated, resulting in a research vacuum. Based on this knowledge gap, this study sought to investigate the impact of USAID financial reporting guidelines of NGOS in Taraba State

Objectives

The aim of the study is to assess the impact of USAID financial reporting guidelines on financial reporting of NGOs in Taraba State while the specific objectives are to:

i. assess the extent to which NGOs in Taraba State are able to comply with USAID's financial reporting guidelines.
ii. determine whether the implementation of USAID's financial guidelines has resulted in improved financial accountability among NGOs in Taraba State.

USAID Financial Guidelines on financial reporting of Non-governmental Organization

The United States Agency for International Development (USAID) is an independent agency of the United States government that is primarily responsible for administering civilian foreign aid and development assistance. With a budget of over $27 billion, USAID is one of the largest official aid agencies in the world and accounts for more than half of all U.S. foreign assistance the highest in the world in absolute dollar terms.

The impact of USAID financial guidelines on financial reporting for NGOs (Non-Governmental Organizations) can be significant. USAID (United States Agency for International Development) is a major funder of development projects and humanitarian assistance worldwide. When NGOs receive funding from USAID, they are required to comply with specific financial reporting guidelines and regulations. Some key impacts of USAID financial guidelines on financial keeping of NGOs:

Theoretical Framework

Resource Mobilization Theory

In the 1970s, resource mobilization theory was popularized by McCarthy and Zald, two resource mobilization theorists (1977). Both prosperity and affluence, according to this idea, impact societal activity. As a result, a successful organization is able to create resources that allow for resource mobilization (McCarthy & Zald, 1977). According to the idea, organizations do not appear out of nowhere, but rather require resource mobilization in order to flourish. Resource mobilization includes the establishment of groups, alliances, or businesses with the goal of achieving common goals (Lin et al., 2003). The theory emphasizes an organization's capacity to mobilize and acquire resources, as well as a person's ability to achieve the goals of the organization (Tam & Kiang, 2012). The finances that are required for financial accountability to be maintained and enhanced in NGOs are the most important resources that must be properly mobilized.

According to Leslie (2018), the assumptions of the resource mobilization theory may be summarised in to costs, mobilization of resources, the organisation or state or society suppressed or repressed and the movement outcomes. First, the participants weigh the costs and benefit of participating in collective actions, Second, mobilisation of resources may take place within or outside the aggrieved group, Third, organisation and mobilisation of resources is very important for the success of the collective action, Fourth, the costs of participating in collective actions are related to the society or the state and Fifth, no direct correspondents between the degree of mobilisation and movement success.

Critic’s points out that resource mobilization theory fails to explain social movement communities which are part of a large network of individuals and providing them with various service. A few empirical studies provide evidence for these theoretical contentions. For example, a study of social movement organizations in the U.S. by McCarthy *et al*. (2016), illustrates how institutionalized regulatory rules and resource dependence encourage social movement organizations formalization. They show how social movement organizations dependence on Internal Revenue Service (IRS) regulations regarding tax-exempt status for non-profit organizations channels toward moderate goals and tactics. To get tax-exempt status, and the legitimacy it confers, social movement organizations cannot participate in partisan campaign activities or many other forms of political activity. Social movement organizations need the non-profit status not only to obtain tax exemptions, but to get discounts from other federal institutions, such as the Unites States Postal Service, and to meet the eligibility requirements of largest funding institutions (Bhattarai, 2010).

The study's theoretical consequence is that the financial viability of NGOs is dependent on their capacity to mobilize resources. However, as donor concerns have increased regarding resource mobilization, sustainable resource mobilization is no longer possible; this necessitates financial accountability. If funds are raised from a large number of contributors who each donate a small amount, they may not be worried about financial accountability. The idea proposes that the efficacy of resource mobilization and use is the most important predictor of financial accountability in NGOs. As a result, this theory addressed the impact of financial accountability on nongovernmental organizations' financial accountability in Taraba State, Nigeria.

The theory also assists in the better understanding of the need of acquiring resources both financial and non-financial and also need of coming up with ways of reducing expenditure of financial resources such financial planning and monitoring in the organization in order to enhance accountability of NGOs. This theory supported the general objective, the first and the second objective of the study.

Methodology

The study adopted a survey research design because the data was collected using primary sources. The study's conceptual underpinning was positivism, and it used both qualitative and quantitative data to achieve triangulation. By employing a positivistic approach through the observation of factual information existing within the chosen sample, the study aimed to maintain objectivity and eliminate biases that might result from the application of an interpretivist philosophy.

The target population, which was the unit of analysis, comprised NGOs in Taraba State. According to the Civil Society Organization of Taraba State 2023 report, there were about 20 registered NGOs in the state headquarters with a total staff of approximately 1000. From this unit of analysis, the research identified the unit of observation as the employees from the selected NGOs. The study targeted three staff members (senior managers and heads of finance and accounting) in each of the selected NGOs. These individuals were chosen because they handled the organization's finances and were deemed to have the necessary information on the influence of financial reporting on non-government organizations in Taraba State, Nigeria.

Data coding was conducted using SMART. The gathered data was analyzed using descriptive statistics for quantitative data, including percentages, means, standard deviations, and frequencies. Bar charts, tables, graphs, and pie charts were used to illustrate the data. Research findings were conveyed by counting responses, computing percentages of response variations, and summarizing and interpreting the data in accordance with the study's goals. For the evaluation of qualitative data, narrative analysis was employed.

Multiple regression analysis was used to establish the influence of USAID financial reporting on the financial accountability of non-government organizations in Taraba State, Nigeria. This analysis explained the relationship between one dependent variable and two or more independent variables as part of a predictive study. The regression equation was as follows:

Descriptive Statistics

This section is an analysis of the descriptive information based on the study objectives.

Table 4.2 provides detailed insights into various financial planning variables within an organization, capturing the responses from 286 participants. The table includes the mean and standard deviation for each variable, which helps to understand the general agreement or familiarity among the participants as well as the variability in their responses.

Firstly, the variable assessing whether the management ensures organizational spending is in line with the set budget to avoid misuse of funds has a high mean score of 4.4196, coupled with a standard deviation of 1.19304. This high mean suggests that respondents largely agree that their organization's management takes significant measures to ensure that spending aligns with the established budget, thereby preventing any misuse of funds. However, the standard deviation indicates a moderate level of variability in responses, meaning that while many participants strongly agree, there are some differing opinions.

Secondly, the variable regarding the setting aside of surplus funds for unbudgeted organizational needs has a mean score of 3.6224 and a standard deviation of 1.37038. This indicates a general agreement among respondents that surplus funds are reserved for new organizational needs not initially budgeted for, though the agreement is not overwhelming. The relatively high standard deviation reflects a significant variation in how consistently this practice is applied or perceived across different parts of the organization.

The third variable examines the familiarity with USAID's financial reporting guidelines, which has a relatively low mean score of 2.1434 and a standard deviation of 1.02658. This suggests that respondents generally disagree or are unfamiliar with these guidelines. The moderate standard deviation indicates a consensus on this unfamiliarity, highlighting a potential area for improvement in training or communication within the organization.

Regarding compliance with USAID's financial reporting guidelines, the mean score of 2.9545 and a standard deviation of 1.01890 reflect a general neutrality or slight disagreement among respondents about their organization's compliance. The relatively low mean, paired with a moderate standard deviation, indicates some level of disagreement or uncertainty regarding compliance, suggesting that there might be inconsistencies or challenges in adhering to these guidelines.

The variable assessing specific challenges in complying with USAID's guidelines has a mean score of 2.3741 and a standard deviation of 1.05459, indicating that respondents somewhat disagree that their organization faces specific challenges in this area. This suggests a perception of manageable challenges or minimal issues related to compliance with USAID's guidelines, although the standard deviation shows some variability in responses, indicating differing experiences or perceptions within the organization.

For the variable on whether financial reporting helps stakeholders make decisions on whether to continue with investments, the mean score is 4.0699 with a standard deviation of 0.89952. This high mean indicates a strong agreement that financial reporting is indeed helpful in making such investment decisions, while the lower standard deviation suggests a strong consensus among respondents, reflecting a shared belief in the importance of financial reporting for investment-related decisions.

The variable concerning financial reporting showing how resources are utilized and helping to devise ways to maximize organizational resources has a mean score of 3.8706 and a standard deviation of 1.45845. This suggests that respondents generally agree that financial reporting effectively demonstrates resource utilization and helps in finding ways to maximize resources. However, the high standard deviation indicates considerable variability in how this is perceived across the organization, pointing to differing experiences or effectiveness in various departments or units.

Lastly, the variable on financial reporting helping in making important financial decisions has a mean score of 3.9685 and a standard deviation of 1.49703. This indicates a general agreement that financial reporting assists in making critical financial decisions. The high standard deviation suggests significant differences in opinion on this matter within the organization, indicating that while many see financial reporting as a crucial tool for decision-making, there are varied perspectives on its effectiveness or implementation.
Overall, the data from Table 4.2 illustrates a strong commitment to budgetary control and recognizes the usefulness of financial reporting in decision-making processes. However, it also highlights notable challenges and variability in the familiarity and compliance with USAID's financial reporting guidelines, suggesting areas where the organization could focus on improvement to ensure more consistent and effective financial planning and reporting practices.

Table 4.2 Financial Planning

Variables	N	Mean	Std. Deviation
In our organization, the management ensures organization spending is in line with set budget to avoid misuse of funds	286	4.4196	1.19304
In our organization, we set aside surplus funds for use in new organization needs not budgeted for	286	3.6224	1.37038
Your organization is familiar with USAID's financial reporting guidelines?	286	2.1434	1.02658
Your organization comply with USAID's financial reporting guidelines	286	2.9545	1.01890
Your organization have some specific challenges in complying With USAID's financial reporting guidelines?	286	2.3741	1.05459
In our organization financial reporting help stakeholders to make decisions on whether to continue with investments	286	4.0699	.89952
In our organization financial reporting shows how the organization has utilized resources and devise ways to maximize organization resources	286	3.8706	1.45845
In our organization financial reporting helps in making important financial decision	286	3.9685	1.49703

Financial Monitoring and Evaluation

The data presented in Table 4.3 details the financial monitoring and evaluation variables within an organization, summarizing the responses of participants to various statements. For each variable, the table provides the number of respondents (N), the mean score (Mean), and the standard deviation (Std. Deviation).

The statement "In our organization we conduct internal audit on quarterly to enhance properly utilization of donor funds" received responses from 286 participants, with a mean score of 4.0664 and a standard deviation of 0.67470. This suggests that, on average, respondents agree that quarterly internal audits are conducted to ensure the proper use of donor funds, with a relatively low variation in responses.

For the statement "In our organization internal audit provides assurance that internal control processes are operating effectively," there were 265 respondents, resulting in a mean score of 4.2528 and a standard deviation of 0.66304. This indicates a strong agreement among respondents that internal audits assure the effectiveness of internal control processes, again with low variability in responses.

The question "In our organization USAID has provided capacity-building support, training, or technical assistance to enhance your organization's financial reporting capabilities?" was answered by 286 participants. The mean score was 3.2273 with a standard deviation of 1.42438, reflecting a more neutral to slightly positive perception with a higher degree of variability in responses.

Regarding the statement "In our organization USAID has improved the type of support or training received and its effectiveness," 286 participants responded, yielding a mean score of 3.4231 and a standard deviation of 1.22805. This indicates a moderate agreement on the improvement in support or training effectiveness provided by USAID, with considerable variability in responses.

The assertion "In our organization preparation of financial statements helps to know how money was spent in the actual activities" had 286 respondents, with a mean score of 4.3322 and a standard deviation of 1.18387. This shows a high level of agreement that preparing financial statements aids in understanding the actual expenditure of funds, despite some variation in responses.

For the statement "In our organization preparation of financial statements is important in organization decision making," there were 286 respondents, and the mean score was 4.2517 with a standard deviation of 0.62091. This reflects a strong consensus on the importance of financial statement preparation in decision-making, with low response variability.

Finally, the statement "In our organization preparation of financial statements enhances donor trust in the organization activities" also had 286 respondents, with a mean score of 4.3322 and a standard deviation of 1.18387. This indicates a high level of agreement that financial statement preparation enhances donor trust, though with some variability in responses similar to the question about understanding fund expenditure.

Table 4.3 Financial Monitoring and Evaluation

Variables	N	Mean	Std. Deviation
In our organization we conduct internal audit on quarterly to enhance properly utilization of donor funds	286	4.0664	.67470
In our organization internal audit assures that internal control processes are operating effectively	265	4.2528	.66304
In our organization USAID has provided capacity-building support, training, or technical assistance to enhance your organization's financial reporting capabilities?	286	3.2273	1.42438
In our organization USAD has improved the type of support or training received and its effectiveness	286	3.4231	1.22805
In our organization preparation of financial statements helps to know how money was spent in the actual activities	286	4.3322	1.18387
In our organization preparation of financial statements is important in organization decision making	286	4.2517	.62091
In our organization preparation of financial statements enhances donor trust in the organization activities	286	4.3322	1.18387

Test of Hypotheses

Hypothesis one

This hypothesis stated that There is no significant relationship between the USAID's financial reporting guidelines and the compliance by NGOs in Taraba State. This hypothesis was tested using ANOVA and the result is presented in Table 4.6 – 4.8

Table 4.6: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.976[a]	.953	.953	.28149

Table 4.7 ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	456.698	2	228.349	2881.834	.000[b]
	Residual	22.424	283	.079		
	Total	479.122	285			

Table 4.8 Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.058	.078		13.539	.000
	Your organization comply with USAID's financial reporting guidelines	1.167	.017	1.106	69.650	.000
	In our organization financial reporting help stakeholders to make decisions on whether to continue with investments	-.376	.023	-.261	-16.421	.000

Model Summary (Table 4.6):

The R value is 0.976, indicating a very high correlation between the variables.
The R Square value is 0.953, meaning that approximately 95.3% of the variance in compliance by NGOs with USAID's financial reporting guidelines can be explained by the model.
The Adjusted R Square is also 0.953, suggesting that the model is very well-fitted.

ANOVA (Table 4.7):

The F-statistic is 2881.834 with a significance level (Sig.) of 0.000. This extremely low p-value (much less than 0.05) indicates that the overall regression model is statistically significant. Hence, there is strong evidence against the null hypothesis that there is no significant relationship.

Coefficients (Table 4.8):

The constant (intercept) has a coefficient of 1.058 with a p-value of 0.000, indicating it is statistically significant. The coefficient for the variable "Your organization comply with USAID's financial reporting guidelines" is 1.167 with a t-value of 69.650 and a p-value of 0.000, showing a strong positive and significant relationship between compliance and USAID's guidelines.
The coefficient for "In our organization financial reporting help stakeholders to make decisions on whether to continue with investments" is -0.376 with a t-value of -16.421 and a p-value of 0.000. Although it has a negative sign, it is also statistically significant.

Hypothesis one Conclusion: Given the very high R and R Square values, the significant F-statistic, and the significant p-values for all coefficients, we reject the null hypothesis. The results demonstrate that there is a significant relationship between USAID's financial reporting guidelines and the compliance by NGOs in Taraba State. This implies that the guidelines have a meaningful impact on the NGOs' compliance behavior.

Hypothesis Two

This hypothesis stated that there is no significant relationship between the implementation of USAID's financial guidelines and the improved financial accountability among NGOs in Taraba State. This hypothesis was tested regressional analysis as presented in Table 4.9 -

Table 4.9: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.933[a]	.871	.870	.44303

Table 4.10 ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	374.864	2	187.432	954.961	.000[b]
	Residual	55.545	283	.196		
	Total	430.409	285			

Table 4.11 Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-3.358	.179		-18.750	.000
	Do you believe that the implementation of USAID's financial reporting guidelines has improved financial accountability within your organization?	1.046	.052	.644	20.181	.000
	In our organization financial control help in coordinating activities of different departments	.661	.060	.350	10.968	.000

Model Summary (Table 4.9):

The R value is 0.933, indicating a strong correlation between the implementation of USAID's financial guidelines and improved financial accountability.

The R Square value is 0.871, suggesting that approximately 87.1% of the variance in improved financial accountability can be explained by the model.

The Adjusted R Square is also 0.870, indicating that the model is very well-fitted and the predictors explain a significant portion of the variability in the dependent variable.

ANOVA (Table 4.10):

The F-statistic is 954.961 with a significance level (Sig.) of 0.000. This extremely low p-value (much less than 0.05) indicates that the overall regression model is statistically significant. Therefore, there is strong evidence against the null hypothesis that there is no significant relationship.

Coefficients (Table 4.11):

The constant (intercept) has a coefficient of -3.358 with a p-value of 0.000, indicating it is statistically significant.

The coefficient for the variable "Do you believe that the implementation of USAID's financial reporting guidelines has improved financial accountability within your organization?" is 1.046 with a t-value of 20.181 and a p-value of 0.000, showing a strong positive and significant relationship between the implementation of the guidelines and improved financial accountability.
The coefficient for "In our organization financial control helps in coordinating activities of different departments" is 0.661 with a t-value of 10.968 and a p-value of 0.000, also showing a significant positive relationship with improved financial accountability.

Decision and Conclusion on Hypothesis Two:

Given the high R and R Square values, the significant F-statistic, and the significant p-values for all coefficients, we reject the null hypothesis. The results demonstrate that there is a significant relationship between the implementation of USAID's financial guidelines and improved financial accountability among NGOs in Taraba State. This indicates that the implementation of these guidelines has a meaningful and positive impact on the financial accountability within these organizations.

Conclusion

The study concludes that financial planning, monitoring, and evaluation practices within the organization are generally robust and effective, with strong internal controls and a high value placed on financial reporting. However, there is a need for improved familiarity and compliance with USAID's financial reporting guidelines. The significant positive relationships and associations identified through hypothesis testing underscore the importance of these guidelines and capacity-building supports in enhancing financial accountability and reporting capabilities. The findings suggest that while financial practices are largely effective, targeted improvements in guideline familiarity and compliance can further strengthen the organization's financial management and operational efficiency.

Recommendations

Based on the findings and conclusions, the following recommendations are proposed:

i. **Enhance Training and Communication**: Implement comprehensive training programs to improve familiarity with USAID's financial reporting guidelines. Regular workshops and clear communication strategies can help ensure that all staff members are well-versed in these guidelines.
ii. **Strengthen Compliance Mechanisms**: Develop and implement robust compliance mechanisms to ensure consistent adherence to financial reporting guidelines. This can include periodic reviews, audits, and the establishment of a dedicated compliance team.
iii. **Leverage Internal Audits**: Continue to prioritize internal audits and ensure they are conducted regularly to maintain effective internal controls and proper fund utilization. Consider enhancing the scope of audits to cover emerging financial risks and compliance issues.
iv. **Optimize Resource Utilization**: Utilize financial reporting insights to identify areas for resource optimization. Implement strategic initiatives to maximize resource use and minimize wastage across all departments.
v. **Improve Capacity-Building Supports**: Collaborate with USAID to enhance capacity-building programs, ensuring they are tailored to the specific needs of the organization. Regular feedback and assessments can help improve the effectiveness of these programs.

vi. **Diversify Funding Sources**: Continue to diversify funding sources to reduce dependency on a single donor and enhance financial stability. This can involve exploring new funding opportunities and strengthening relationships with existing donors.

vii. **Monitor and Evaluate Impact**: Establish a robust monitoring and evaluation framework to assess the impact of financial reporting requirements on project delivery. Use these insights to make data-driven adjustments and improvements in financial management practices.

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