Factors influencing accountability practices in managing NGOS funds: The case of Yemen

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ABSTRACT

This study examines the factors influencing accountability practices in funds management of local non-governmental organizations (NGOs) in Yemen. A total of 75 local NGOs operate in Yemen, receiving local and foreign funding. A structured online questionnaire was employed for data collection. This study found that accountability was not widely practiced among the NGOs in Yemen. The level of accountability practices of these NGOs was significantly influenced by funding competition and perceived motive. The results of the study offer important implications for both policymakers and NGOs. The relevant regulatory bodies must formulate policies to enhance the NGOs’ accountability for improved efficiency and transparency. The NGOs, on the other hand, are expected to be transparent in ensuring the resources are well managed, and services are delivered efficiently and effectively to the recipients.

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Introduction

Historically, accountability has been considered as a commitment to provide reports to the people or parties with a legitimate interest, which is the system to count possessions and classify this information. Later, this was formalized through the practice of bookkeeping and accounting even though the word “accountability” has developed a wider political and cultural significance beyond those financial beginnings and can rightly be considered a cultural phenomenon (Glennon et al., 2018). In the humanitarian sector, which is the domain of this study, more and more non-governmental organizations (NGO) have been established in many parts of the world due to various factors like war (Syria and Yemen), food crisis (Somalia) and political instability (Iraq and Libya). Those NGOs have received support from various parties internally and internationally. In this regard, the concept of accountability as reported by Deloﬀrê (2016) was practice and procedures done by the organization to answer the donors’ and stakeholders’ questions about the ways how this organization manages the donation funds to implement a specific project. The humanitarian sector has been developed since the end of the Cold War. More NGOs are currently working and using resources than ever. At the same time, these organizations have faced a lot of attention and criticism due to their weakness, absence of clear impact, low proﬁciency, and insufﬁcient coordination (Featherstone, 2011).

After some high-proﬁle humanitarian crises like the international intervention in response to the Ethiopian famine in 1984, it has been noticed that the way of delivering humanitarian aid was not well maintained and coordinated. Hence, international organizations did not achieve a touchable impact to overcome human suffering. The same situation occurred in Rwanda during the 1990s to respond to the genocide. Thereafter, the humanitarian community became more concerned about the need to begin coordinated work to ensure
effectively providing humanitarian services to reinforce the collective commitment to accountability (Featherstone, 2011). Accountability in NGOs is practiced through self-regulatory regulations, internal rules, and procedures, which therefore need to be carefully evaluated in terms of effectiveness, risk management, and corruption. This includes looking at the organization’s governance structure and standards, independence, integrity policies/codes of conduct, transparency standards, human resource management policies, financial management standards, and downward accountability measures (Chene, 2013).

In Yemen, during the war that started at the end of 2014 until today, the government has allowed a number of NGOs to implement various projects aiming at improving the livelihoods of communities. Most of the evaluations carried out on these projects are predominantly limited. The amount of money and time spent on these projects detect that the communities should be empowered to the extent that they can take charge of their lives. The government’s monitoring and auditing are absent due to the circumstances of war and the perceived corruption. A report from Maggie (Micheal, 2019) published on Associated Press Agency (AP) website, declares that “UN probes corruption in its own agencies in Yemen aid effort”. This caused hundreds of Yemeni activists over many months to push for aid transparency and accountability in an online campaign called “Where is The Money?” They demanded that the UN and international agencies should provide financial reports about the funds being donated to the Yemeni people. Billions of dollars were poured into Yemen since 2015, but the outcomes of all these funds unfortunately were not reported.

This is a second part of our earlier paper published (Zainol et al., 2022). The second part aims to examine factors influencing the accountability practices of local NGOs operating in Yemen. International donors normally impose specific requirements and standards to humanitarian projects undertaken by NGOs to ensure the use of funds is efficient and the goals of the funded projects are achieved. Because of this, accountability is the main aspect for funders to consider in funding an NGO (Sarker and Hassan, 2010; Abouassi and Trent, 2016) as the lack of accountability is one of the reasons for bad performance among NGOs (Sarker and Hassan, 2010).

**Literature Review**

**Empirical Review and Hypothesis Development**

Generally, accountability in an organization is usually focusing on corporate governance. Since shareholders appointed other parties in various capacities such as the chief executive officer (CEO), top management team and/or board of directors to manage the organization, their behaviors need to be monitored or controlled so that the best interest of shareholders is safeguarded. There are various theories related to accountability and organizational studies applied by many researchers globally in various domains and disciplines. Among these popular theories are the agency theory (focusing on whether there is a conflicting relationship between the principal which is the owner and the agent such as the appointed CEO), the stewardship theory (focusing on satisfaction as the main driver for the appointed parties in discharging their duties), and the contingency theory. Organizations like NGOs have their resources where some NGOs probably have more resources than others. Reviewing these factors leads the study to conclude that the strength of these NGOs depends a lot on these factors, either internally or externally. In this regard, the contingency theory is chosen to explain the performance of the organization such as NGOs in the form of the level of accountability practices.

Contingency theory is a kind of behavioral theory that stated there is no best way of organizing an institution (i.e. NGOs), leading a business, or making decisions. As such, the best course of action depends on the internal and external circumstances (available internal and external factors in which the organization is operating). Hence, this theory is an approach to the study of organizational behavior, investigating the effect on the roles and nature of the organizational framework of both external and internal dependent variables such as technology, culture, and environment (Magaji et al., 2018). Further, this theory was used previously in the study of accountability in NGOs such as mosques (Ebrahim, 2003). Ebrahim defines accountability as a key feature for states, companies, and NGOs. With these notes, the focus of this study is the factors affecting the level of accountability practices in local NGOs working in Yemen. These factors are divided into internal factors; size of NGO, HR competencies, the use of computerized accounting system (CAS), ICT application, while external factors; competition for funding and perceived motive. Since these factors differ among the NGOs which operate in a very difficult situation especially in Yemen where war conflict is still ongoing, the contingency theory is adopted to investigate the relationships between those factors and the level of accountability practices. Unlike business organizations that usually use financial performance as the outcome (dependent variable) to measure their performance, here the study applied the Ebrahim framework of measuring the level of accountability practices. This framework is further elaborated in the next section.

Ebrahim (2003) proposes five broad aspects to measure accountability in NGOs. Those aspects are the reports and disclosure statements, performance assessments and evaluations, participation, self-regulation, and social audit. This mechanism is the one that will be adopted in this study to know how accountable the local NGOs in Yemen are. With the first mechanism which is disclosing reports and statements, NGOs in Yemen should be aware of the need for accountability to improve their image and fulfill donor requirements. Accountability has been used to motivate NGOs operating in Yemen by publishing reporting and operational information. All activities should report the purpose of accountability and transparency, as well as to meet the demands of the various stakeholder groups (Nasir and Said, 2013, Cordery et. al. 2019).

The second mechanism is the evaluation, including performance and impact assessments. Evaluations typically aim to assess whether and to what extent program goals and objectives have been achieved and are pivotal in determining future funding of NGOs. These appraisals may focus on short-term results of NGO intervention or medium and long-term results. Internal evaluations are also
common, in which NGO staff gauge their progress, either towards the objectives of externally funded programs or towards the internal goals and missions.

The third mechanism is participation, where the information on planned projects needs to be publicly available and able to hold public gatherings or hearings, polls, or structured dialog on the possibilities for projects. In that way, participation involves consultation with community leaders and members, but decision-making power remains with the project planners (Ebrahim, 2003).

The fourth mechanism is regulation, which consists of the efforts done by NGO or non-profit networks to develop standards or codes of behavior and performance. The most basic requirements of accountability stated in these codes are that the organization has a specified purpose or mission, and a transparent internal management system, free of conflicts of interest, discrimination, favoritism, secrecy, corruption, and all other unethical practices. Non-profit industries have gradually switched to industry-wide accountability standards. The concept ‘self-regulation’ applies directly to the operation of non-profit institutions to establish guidelines or codes of conduct and quality. In part, these standards have arisen as an attempt to restore the reputation of the industry (because of major corruption or unfounded claims of achievement) although setting quality standards and, in some cases, avoiding potentially restrictive government regulation (Ebrahim, 2003).

The social audit is the fifth and last mechanism proposed by Ebrahim (2003) in his model to measure accountability. This mechanism refers to a process through which an organization assesses, reports, and improves upon its social performance and ethical behavior, particularly through the dialog with stakeholders. A social audit is one of those important mechanisms for strengthening NGOs’ accountability to vulnerable societies (as NGOs’ key recipients). Social audit is a way to see if the performance of a company is in line with the priorities of the different stakeholders (Ebrahim, 2003). Social auditing also allows NGOs to track their social effect on more stakeholders and to determine whether organizations are achieving their social objectives (Adhikari, 2016).

**Size of NGO and Its Relationship with the Level of Accountability Practices**

Generally, bigger NGOs are perceived to have distinct advantages over smaller NGOs as their size offers them more resources in terms of manpower, capital, assets, network, and favorable qualities that enhance their overall performance and strength. This can be attributed to the tendency of larger organizations to have larger boards (Islam, 2016). When the NGO is bigger in terms of size, it presumably can practice more accountability due to the availability of more positions where segregation of duties can be applied. Smaller NGOs which are dominated by their founders where segregation of duties is lacking will tend to have lower accountability (Biswa, 2009).

Additionally, larger NGOs are argued to make more accountability information available on their websites and have better-designed accountability compliance mechanisms. Larger NGOs have more income/funding and they can hire qualified staff for record-keeping and distribution. They can also have a better IT infrastructure and therefore, can handle and maintain a better-designed website than a small organization (Nazuk and Shabbir, 2018). Concerning this, Naujokaitė (2018) stated that big NGOs (with budgets above 250,000 USD and, in particular, those with more than 1 million USD) are under increased pressure for exercising accountability and cooperation. Therefore, it is hypothesized that:

H1: There is a positive relationship between the size of the NGO and the level of accountability practices.

**Human Resource (HR) Competencies and Its Relationship with the Level of Accountability Practices**

Competence becomes the underlying characteristic of a person and is concerned with the effectiveness of individual performance in his work. Determining the required threshold of competence will certainly be the basis for the process of selection, succession, planning, performance evaluation, and human resource development. Individual performance can be optimal if the individual has a competence that is reliable in their field. The reliability of human resource competence can be formed, in which the formation is strongly influenced by the organizational capability in managing human resources into several specifications of individual competence, among others: (1) competence of goal achievement, (2) competence of problem-solving, (3) competence of interaction to others, and (4) competence of teamwork (Atmadja and Saputra, 2018).

Human resource affects the efficiency of the financial management system. Studies have led to the conclusion that NGO directors tend to empower and train their employees for better performance and high productivity. The relationship between human resource management (HRM) and the financial management process is positive and significant (Wambui and Njuguna, 2017). In banks, it has been confirmed by Sekyere et al. (2017) that the accuracy of the financial reports depends on the competency of the staff. Formal education and qualification are the most important metric in terms of staff capability. Generally, the quality of the organization is positively related to years of education, as the academic level of the respondent increases the organization’s performance (Anaeli, 2017). So, they found that studies have indicated clearly that the more qualified the staff of the organization is, the more capable they will be to apply and practice. Therefore:

H2: There is a positive relationship between human resource competencies and the level of accountability practices.
Computerized Accounting System (CAS) and Its Relationship with the Level of Accountability Practices

It saves the company time and money by using CAS. Using a computer makes it easy to input accounting information. Transactions are entered into the system and transactions are processed and posted accordingly. CAS minimizes the time taken to prepare accounts and minimize audit costs as records are clear, updated, and reliable. More importantly, CAS helps to present financial reports on time to aid in the economic decision-making process of external users (Dacosta et al., 2012). According to Deussieddit (2014), CAS factoring in its speed, timeliness, accuracy, and the possibility of producing quality data affects the quality of financial reports of the NGOs. This leads to improving the accountability of the NGO (Sugut, 2014).

Likewise, the quality of financial reports is assured by the CAS compared to manual systems. The information input and processing system are advanced so that the reliability of the data is enhanced. It ensures that financial reports will include minimal mistakes The computerized system will facilitate the accessibility and immediate transformation of information stored in computers so that financial reports can be easily accessed through an online system without delay and timely decision-making, which will ultimately lead to better accountability environment.

As stated by Anaeli (2017), it is obvious that using CAS plays an important role to increase the level of accountability practice in the organization. The basis on which one’s position gives an account to others’ decisions taken with the adequacy of the results is referred to as accountability. Performance is, therefore, related to accountability and transparency where it ensures that financial statements are used both internally and externally for all users, even those who are not accounting experts, but want to read and understand financial reports. Thus, the hypothesis of the relation between the variable CAS and accountability is as follows:

H3: There is a positive relationship between the use of CAS and the level of accountability practices.

Information & Communication Technology (ICT) and Its Relationship with the Level of Accountability Practices

ICT is used to support various processes. One of those processes is to facilitate the performing of accountability in the organizations to account for their actions. Therefore, ICT has a tangible impact on the practice of accountability in NGOs (Meijer, 2001). AlDabbagh (2015) indicates that the use of ICT in the workplace helps connect employees. This ICT connectivity has mixed effects on individuals’ work productivity, and it raises ongoing concern in literature and the media.

In this study, the investigation of ICT is to better explain its effects on the accountability practices of NGOs. According to Matiyabu et al. (2017), the use of ICT can mitigate the propensity to corrupt behavior by reducing human interference in the collection of public funds through the automation of various processes in the collection and allocation of funds. It has also been argued that ICT can help to curb corrupt behavior through the implementation of government portals that can inform citizens of anti-corruption awareness, inform citizens of their rights and expectations from the national government, and gather feedback that can be used to enhance the delivery of public services. This is the ICT-led approach that could enhance transparency and potentially discourage corruption in public service. A comprehensive assessment done by Schaaf et al. (2018) of how ICT contributes to specific outcomes related to the right of health shows that ICT adds value to efforts in enhancing government accountability for health. Marker et al. (2002) also believed that large and effective data flows and reliable communication infrastructures are vital components of well-functioning economies. Poor data flows and inadequate communications infrastructure are some of the main obstacles to sustainable economic growth in developing countries. Lack of information, and thus lack of transparency, undermines the responsiveness and accountability of government institutions and creates an environment in which corruption can flourish. Alternatively, when poor people have information about government programs and resources, their rights as citizens, and a balance between the stated objectives of government and the actual delivery of services and resources, they have greater opportunities to exert pressure and hold the government accountable. In general, communication is closely linked to accountability. There can be no accountability without communication (Inotai and Stephen, 2009). Consequently, the following hypothesis is formulated:

H4: There is a positive relationship between ICT adoption and the level of accountability practices.

Funding Competition and Its Relationship with the Level of Accountability Practices

The problems of funding are increasing due to the decreases in total available funding from donors. Accountability is often demanded by donors, and this influences the dependency of recipient NGOs (Antrobus, 1987). Islam (2016) stated that the market has a huge influence over NGOs as it presents one of their key vulnerabilities. This market competition is two-fold, both among NGOs and among donors. High market competition between NGOs implies that there are many NGOs in the same location, competing for the same resources, and often fulfilling similar social services. Low market competition between NGOs allows for the donors to be in greater control of the contracting situation and only increases the high market competition between NGOs as they fight for a select group of donor funds. The high market competition among NGOs and the low market competition among donors work against most NGOs as they are often left with little choice, but to enter into toxic supply-led contracts. It is believed that donors most probably prefer NGOs that practice higher accountability in managing their affairs for fund allocation. Hence, this leads to the following hypothesis:

H5: There is a positive relationship between the funding competition and the level of accountability practices.
Perceived Motive and Its Relationship with the Level of Accountability Practices

Accountability expects an NGO to provide justified professional and financial reports on its activities to stakeholders, governments, or donors. NGOs strategize to win donors’ confidence by demonstrating their ability to meet measurable goals (Nazuq and Shabbir, 2018). The French non-profit organizations (NPOs) are increasingly acknowledging the need for the trust to improve their capacities to survive in the competitive environment of the global non-profit sector and this can be implemented through the practicing of accountability. Applying more accountability mechanisms leads to gaining the trust of donors and society (Liautaud, 2009). Nasir and Said (2013) assumed that NGOs are aware of the need for accountability to improve their image and fulfill donor requirements. More specifically, accountability has been used to motivate NGOs operating in Malaysia to publish reporting and operational information as a show their activities, and at the same time, to meet the demands of the various stakeholder groups. Consequently, it is hypothesized that:

H6: There is a positive relationship between the perceived motive and the level of accountability practices.

Research and Methodology

This study employed survey questionnaires to gather data from the NGOs. The questionnaires were distributed to 75 local NGOs currently operating in Yemen (OCHA, 2019). These NGOs were active in 308 districts in Yemen. A web-based electronic questionnaire was chosen as the medium for the survey. As the targeted respondents were separated by great geographic distances, the use of web-based questionnaires helped the researchers to distribute and obtain quick data at a minimum cost. A cover letter was attached, explaining the purpose of the research and the way to respond. Since the use of the English language in Yemen is not common, a translation of the Arabic language was added to the survey to encourage a high response rate.

Development of Questionnaire

The questionnaire consisted of three parts: Part One, Part Two, and Part Three. Part One examined the demographics data: years of the organization in operation; nature of the organization’s operation; the size of the average annual budget of the organization; the number of staff and volunteers in the organization, average qualification level of staff or volunteers; and respondent’s position in the organization.

Part Two sought to examine the level of accountability practices of NGOs. This part comprised 14 statements that were grouped into five accountability mechanisms as proposed by Ebrahim (2003). Table 1 shows the items for level of accountability practices.

| Accountability Mechanisms         | Accountability Practices                                                                 |
|-----------------------------------|------------------------------------------------------------------------------------------|
| Disclosure statements and reports | The organization prepares financial statement monthly.                                   |
|                                   | The organization displays financial information on various forms i.e. noticeboard,      |
|                                   | social media, printed documents.                                                         |
|                                   | The organization discloses pictures, videos, interviews on activities conducted.          |
| Performance assessment and evaluation | The organization reviews projects once conducted to see its effectiveness.              |
|                                   | Third-party evaluates the organization’s projects and activities.                        |
|                                   | The organization has a policy on evaluations at all levels.                              |
| Participation                     | The organization has a policy on stakeholders’ participation in its affairs.             |
|                                   | Communities participate in the planning process of the organization.                     |
|                                   | Communities participate in the implementation of the organization’s activities.          |
| Regulation                        | The organization practices good governance and code & ethics.                           |
|                                   | Procedures on financial usage is well practiced by the organization.                    |
| Social Audit                      | Communities are aware of funds raised by the organization and the purpose of those funds.|
|                                   | The organization conducts surveys to get communities’ opinions about its activities.    |
|                                   | The organization practices transparent reporting system.                                 |

We examined factors influencing the level of accountability practices. There were six factors examined that were constructed based on existing instruments derived from prior literature in Table 2.
Table 2: Factors Influencing the Level of Accountability Practices.

| Factor                      | Measurement                                                                 | Sources                               |
|-----------------------------|-----------------------------------------------------------------------------|---------------------------------------|
| Size                        | Budget size                                                                 | Wadongo (2014); Biswas (2012)        |
| Human Resource Competencies | Qualifications of staff and volunteers                                      | Chapagain (2004); Özdemir et al. (2015); Ramhall (2018) |
| Computerized Accounting Software Adoption (CAS) | The level of utilization of: Enterprise Resources Planning (ERP) Specific Accounting Software, (YemenSoft, QuickBooks) Spreadsheets (Excel) Manual Bookkeeping | Sugut (2014); Habiba et al. (2019) |
| Information & Communication Technology (ICT) Adoption | Platforms used to disseminate information about the organization’s activities: Social media: Facebook, Twitter Instagram Website Database | Shava and Maramura (2016); Laizu (2014) |
| Funding Competition        | Intense of competition                                                      | Islam (2016); Naujokaite (2018)       |
| Perceived Motive           | To enhance the organization’s image                                         | Yusoff and Darus (2012); Nasir and Said (2015) |

Measurement of Variables

**Dependent Variable - The level of accountability practices**

Respondents were asked to indicate their organization’s level of agreement of the items on a five-point Likert scale, ranging from 1 (Strongly disagree) to 5 (Strongly agree).

**Independent Variable - Factors influencing the level of accountability practices**

In examining factors influencing the level of accountability practices, six factors have been considered as follows in table 3:

Table 3: Factors and Measures in Mo

| Factor                      | Measures                                                                 |
|-----------------------------|--------------------------------------------------------------------------|
| Size (SIZE1)                | Budget Size                                                              |
| Size (SIZE2)                | Number of Staff or Volunteer                                              |
| HR Competencies (HR)        | Qualifications of staff and volunteers                                   |
| CAS Adoption (CAS)          | 5-point Likert scale: 1 – Not used; 2 – Low usage, 3 – Moderate usage, 4 – High usage, 5 – Very high usage |
| ICT Adoption (ICT)          | 5-point Likert scale: 1 – Not used; 2 – Low usage, 3 – Moderate usage, 4 – High usage, 5 – Very high usage |
| Funding Competition (FUND)  | 5-point Likert scale: 1 – Not at all, 2 – Not Intense, 3 – Slightly intense, 4 – Intense, 5 – Very intense |
| Perceived Motive (MOTIVE)   | 5-point Likert scale: 1 – Strongly disagree, 2 – Disagree, 3 – Moderate, 4 – Agree, 5 – Strongly agree |

Control Variables

Control variables are important as they give attention to other relevant factors that may influence the dependent variables. The control variables in this study are the experience of the organization (year in operation) and the nature of the operations as recommended by Al-Dhubabi et al. (2015). The experience of the organization is measured by the number of years the organization has been in service. Organizations with longer years in operation than others will improve accountability practices. The second control variable is the nature of the organization’s operations. The type of organization has a significant role to play in understanding the difference in the accountability of different organizations.
Analysis and Findings

Data collected were analyzed using SPSS. The demographic data of the respondents were analyzed using descriptive analysis, and the accountability practices were analyzed by finding the mean of each accountability mechanism. For the Likert scale measurement of factors influencing the accountability practices, the mean was generated.

Proxies of Size and HR competencies were treated as ordinal scale. A regression analysis was used to measure whether the size of the organization, HR competencies, CAS adoption, ICT adoption, fund competition and perceived motive influence the level of accountability practices of the NGOs.

\[ ACT = \beta_0 + \beta_1 SIZE1 + \beta_2 SIZE2 + \beta_3 HR + \beta_4 CAS + \beta_5 ICT + \beta_6 FUND + \beta_7 MOTIVE + \varepsilon \]

Response rate

Of the total 75 local NGOs, several organizations were unreachable due to the absence of electricity or internet service at the premise. A total of 66 NGOs responded to the questionnaire, which equals 88% of the response rate.

Descriptive analysis

More than half of the NGOs operate with a budget of more than USD100,000 yearly. With such a big amount of budget, these organizations are expected to have a more organized and accountable working environment. More than half of the NGOs operate with more than 31 staff or volunteers, suggesting that these NGOs have enough staff to build good governance such as segregation of duties as part of accountability conditions. The findings also show that 81.8 percent of NGOs have the staff or volunteers with tertiary (university/colleges) education and only 18.2 percent with secondary school education. This shows that volunteers and staff working for the NGOs are having adequate knowledge to qualify them to perform a good level of accountability. For the respondents’ position in the organizations, 43.9% are Executives, 21.2% are Project Managers, 9.1% are Finance Managers, and 25.8% Head of the NGO.

In terms of years in operation, a large majority of the NGOs (42.4%) have been operating for more than 10 years. Accordingly, 15.2 percent of the NGOs operate in the Education area, 22.7 percent in Health-Related projects, 19.7 percent in Food Supply and Shelter projects, and 42.4 percent in Others. ‘Others’ signify that the organizations do not work in a specific field, but are involved in many projects across the areas, for example, in health, food, shelters, as well as protections. This is quite normal in Yemen because of the war circumstances which demand repetitive needs of those services. Table 4 presents the descriptive results.

### Table 4: Descriptive Statistics for Demographics.

| Item                              | Description                          | Frequency | %  |
|-----------------------------------|--------------------------------------|-----------|----|
| **Budget size**                   | Less than USD30,000                   | 18        | 27.3|
|                                  | USD30,000 to USD100,000              | 9         | 13.6|
|                                  | 100,001 to 1,000,000                 | 14        | 21.2|
|                                  | More than 1,000,000                  | 25        | 37.9|
| **Number of staff and volunteers**| Less than 10                         | 19        | 28.8|
|                                  | 10 to 30                             | 11        | 16.7|
|                                  | 31 to 50                             | 11        | 16.7|
|                                  | More than 50                         | 25        | 37.9|
| **Number of years in operation** | Less than 3 years                    | 15        | 22.7|
|                                  | 3 to 6 years                         | 10        | 15.2|
|                                  | 6 to 10 years                        | 13        | 19.7|
|                                  | More than 10 years                   | 28        | 42.4|
| **Nature of operation**          | Education                            | 10        | 15.2|
|                                  | Health-Related                       | 15        | 22.7|
|                                  | Food Supply and Shelter              | 13        | 19.7|
|                                  | Others                               | 28        | 42.4|
| **Average qualification level of the staff or volunteers** | Tertiary (university/colleges) education | 54        | 81.8|
|                                  | Secondary school education           | 12        | 18.2|
| **Position in the organization** | Executive                            | 29        | 43.9|
|                                  | Project Manager                      | 14        | 21.2|
|                                  | Manager (Finance)                    | 6         | 9.1|
|                                  | Head of NGO                          | 17        | 25.8|

Hypotheses Testing

Overall, the mean of accountability practices is 3.2 in Table 5, signifying a moderate level of accountability practices by local NGOs in Yemen. In terms of accountability mechanisms, there is no significant variation among the level of practices. Performance assessment and evaluation mechanism has the highest mean of 3.39. Meanwhile, the social audit mechanism has the lowest mean of
To a certain extent, these results indicate that the respondents did not perceive the importance of stakeholders’ engagement especially the communities as much as they concern about project costs against benefits.

Table 5: Descriptive Statistics of Level of Accountability Practices.

| Accountability Mechanisms                      | Mean  | SD   |
|------------------------------------------------|-------|------|
| Disclosure statements and reports              | 3.22  | 1.133|
| Performance assessment and evaluation          | 3.39  | 1.287|
| Participation                                   | 3.26  | 1.085|
| Regulation                                     | 3.18  | 1.249|
| Social audit                                   | 2.91  | 1.259|
| Overall Level of Accountability Practices       | 3.2   |      |

To measure the associations between variables, multiple linear regression was performed. Table 6 presents the results. The $R^2$ value is 0.435. This means that the independent variables can explain 43.5% of the variation in the dependent variable.

Table 6: Results of Multiple Linear Regression.

| Variables | Coefficient Values ($\beta$) | t-statistic | Sig.  |
|-----------|------------------------------|-------------|-------|
| Constant  | 1.053                        | 2.421       | 0.019 |
| SIZE1     | -0.233                       | -0.878      | 0.383 |
| SIZE2     | 0.289                        | 1.058       | 0.294 |
| HR        | -0.385                       | -0.972      | 0.335 |
| CAS       | 0.144                        | 1.675       | 0.099 |
| ICT       | 0.054                        | 0.373       | 0.710 |
| FUND      | 0.232                        | 2.129       | 0.038 |
| MOTIVE    | 0.246                        | 2.301       | 0.025 |

$R = 0.660$; $R^2 = 0.435$; Adjusted $R^2 = 0.367$

The results suggest that FUND and MOTIVE are significantly associated with the level of accountability practices. The positive and significant coefficient ($\beta$) for FUND ($\beta = 0.232$, $p = 0.038$) indicates that controlling for years and nature of the operation, the more intense the competition faced by the NGOs in securing the donor funding, the more likely they are to practice a high level of accountability practices. This finding is consistent with previous findings of Antrobus (1987) and Islam (2016) where they found that the level of accountability practices increases in response to increased competition for donor funding.

Similarly, the positive and significant coefficient ($\beta$) for MOTIVE ($\beta = 0.246$, $p = 0.025$) indicates that the greater the need to legitimize their activities, the more likely it is for the NGOs to practice a high level of accountability. Previous findings suggest that NGOs carry out a high level of accountability practices to seek trust in order to improve their reputation and capability to receive more funds from the donors (Liautaud 2009; Nasir and Said 2013; Nazuk and Shabbir 2018). Consistent with these prior findings, the result shows the tendency of the NGOs to improve their reputation and image by continuously improving their accountability practices.

Collectively, the results provide support for H5 and H6, suggesting that funding competition and perceived motive are critical explaining the level of accountability practices of NGOs in Yemen. Other variables: SIZE, HR, CAS and ICT; however, were insignificant, indicating that the level of accountability is not influenced by these variables. Therefore, no support is found for H1, H2, H3 and H4.

These findings, to a certain degree, are consistent with earlier findings of the present study where it is evident that the NGOs emphasized more on the effectiveness of the projects in terms of costs against benefits compared to the impact of their projects on the communities. More specifically, it is all about the ability to secure funding. Getting donors can be an enormous challenge for NGOs, especially in Yemen. The difficulties in getting enough and continuous funding to carry out their work make them focus more on visibility. In addition, most of the NGOs have a high level of dependency on donors’ funds which makes them even more susceptible to donors’ requirements. All international donors require bookkeeping records for all the NGO’s projects and activities, while bookkeeping in Yemen is not commonly practiced. Normally, NGOs cannot afford to pay for a qualified accountant to record and prepare their financial statements unless it is required and funded by a donor.

Conclusion

The results of this study are of practical significance for the policymaker, NGOs, donors, and communities in Yemen. In light of the moderate level of accountability practices among NGOs, the policymaker may wish to formulate policies governing accountability and obligate NGOs to practice accountability. For NGOs, the findings may shed some lights on the importance of accountability practices beyond visibility. Moreover, the lack of accountability can be seen as a barrier to the NGOs in securing funding. The
findings may also be of significance to the donors. They may need to carefully assess the capacity of their beneficent organizations in managing the allocated funds for aid and humanitarian purposes. Local communities need to be enlightened on the importance of their involvement in NGOs’ activities. All these can help reduce fraud and corruption in humanitarian projects in Yemen. Due to the war status in Yemen, it was not possible to determine the exact number of registered organizations operating in Yemen from governmental sources. A lot of organizations in Yemen have stopped operations for several reasons. One of the reasons is that the conflicting parties impose their affiliate organizations to control funds and relief materials. Therefore, the study depended on the data of the OCHA. However, the number of registered NGOs may be greater than the number reported by the United Nations figures. Traveling to Yemen to carry out interviews was not feasible because of financial and time constraints. Interviews with individuals working with the NGOs can provide more data that cannot be captured via questionnaires. To obtain a more nuanced understanding of the subject matter, the qualitative approach such as in-depth interviews and case studies could be considered in future research.

Acknowledgments
We would like to thank the International Islamic University Malaysia for providing a grant (IIUM Accounting Research and Education Fund, IAREF 20-007-0031) to complete this research. 

Author Contributions: Conceptualization, methodology, validation, formal analysis, investigation, resources, writing—original draft preparation, writing—review and editing, by authors with equal participation. All authors have read and agreed to the published version of the manuscript.

Funding: International Islamic University Malaysia

Informed Consent Statement: Informed consent was obtained from all subjects involved in the study.

Data Availability Statement: The data presented in this study are available on request from the corresponding author. The data are not publicly available due to restrictions.

Conflicts of Interest: The authors declare no conflict of interest.

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