

Effect of Financial Management Skills on the Effectiveness of Donor Fund Utilization in Health Projects in Tanzania

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Abstract

This study examines effect of financial reporting skills on the effectiveness of donor fund utilization in health projects, focusing on the Ministry of Health in Dodoma, Tanzania. The study utilizes a mixed-methods approach, combining both quantitative and qualitative data collection techniques. A sample of 129 respondents, including project managers, accounting officers, procurement officers, and other key personnel, was surveyed to assess their financial reporting practices and perceptions of donor fund utilization. The study revealed that financial reporting skills, including accuracy, timeliness, and adherence to reporting standards, significantly enhance the effective use of donor funds. Strong leadership commitment, clear financial reporting guidelines, consistent monitoring, and timely submission of reports were identified as key factors contributing to successful fund utilization. The findings suggest that improving financial reporting skills is essential for optimizing the impact of donor-funded health projects, ensuring accountability, and aligning project outcomes with donor expectations. Based on these findings, the study recommends targeted training programs for project staff, the development of robust reporting guidelines, and the implementation of regular monitoring and evaluation systems to improve financial management in health projects. This research contributes valuable insights into the role of financial reporting in managing donor funds effectively in the health sector, particularly in low- and middle-income countries.

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1. Introduction

Financial management skills encompass a range of competencies necessary to plan, monitor, and control financial resources effectively (Bennett, 2022). These include budgeting, financial reporting, auditing, and ensuring compliance with regulations. In donor-funded health projects, proper financial management is essential to ensure that resources are allocated efficiently, expenditures are tracked accurately, and financial accountability is maintained. The success of these projects depends on how effectively donor funds contribute to achieving health outcomes such as improved service delivery and system strengthening (Bennett, 2022).

On a global scale, financial management plays a vital role in the success of donor-funded projects, especially in the health sector, where substantial investments are made to address public health challenges (Agbo, 2024; Anasel et al., 2024). Proper financial management practices are essential to maximize the impact of donor funds by ensuring transparency and accountability (Dimoso & Andrew, 2021). However, many donor-funded health projects worldwide face challenges stemming from inadequate financial management skills among project personnel, which often leads to misallocation of resources, project delays, and financial misreporting (Khan, 2020; Mushi et al., 2022).

In many African countries, including Tanzania, donor funding is crucial to sustaining health programs, particularly in areas where government resources are limited (Kitole et al., 2023). However, mismanagement of these funds, often due to a lack of financial expertise, undermines the intended impact of health interventions. Poor financial planning, inadequate budgeting, and lack of proper reporting have led to inefficiencies, delays, and, in some cases, the failure of health projects. This issue is especially critical in regions with already strained health systems, where effective resource allocation is essential (Kalolo, 2021; Binyaruka, 2024). Additionally, managing donor funds often involves complex reporting requirements, further complicating the situation for local project managers who may lack the necessary skills. This inadequacy reduces the effectiveness of donor-funded health projects, highlighting the need for enhanced financial management training and capacity building in this sector (Mpenzi, 2020; Sun, 2022).

In Tanzania, donor funds have been pivotal in supporting health initiatives, particularly in HIV/AIDS treatment, maternal health, and malaria prevention (Kapologwe, 2019). However, these funds have not always been used optimally due to challenges related to financial management skills. Reports have highlighted issues like budget misallocations, delays in fund disbursement, and insufficient financial reporting, which undermine the success of health initiatives in Tanzania (Kessy, 2020; Tukay, 2021). These challenges are often attributed to a lack of adequate financial management capacity at local levels, where many project managers struggle with the complex requirements associated with donor funding. As a result, the potential of donor-funded health projects to improve health outcomes is diminished, underscoring the need for targeted capacity-building efforts (Ngowi, 2021; Gotsadze et al., 2019).

The mismanagement of funds has sometimes led to the withdrawal of donor support, which further exacerbates the challenges faced by Tanzania's health sector. Addressing these gaps in financial management skills is crucial to improving the effectiveness of donor-funded health projects in the country (Ngwega, 2022). Despite the critical role financial management skills play in the success of health initiatives, most research has focused on general financial oversight and external factors like

governance and political instability, leaving a significant gap regarding the financial competencies of project staff (Jensen, 1976). This study aims to address this gap by examining the specific financial management skills—such as budgeting, financial reporting, and monitoring—and how enhancing these skills can improve the effective utilization of donor funds in health projects, particularly within the Ministry of Health in Dodoma Region. By investigating the direct correlation between these skills and project outcomes, this research intends to contribute valuable insights for improving the management of donor-funded health initiatives in Tanzania (Waddington, 2019; Zimmerman, 2019).

2. Theoretical underpinnings

This study is grounded in Resource Dependence Theory (RDT) and Agency Theory (AT) to explore how financial management skills impact the effective utilization of donor funds in health projects. RDT, developed by Pfeffer (1978), suggests that organizations are reliant on external resources, and this dependence shapes their behavior and strategies. In the context of donor-funded health projects, financial management skills such as budgeting, financial reporting, and monitoring play a crucial role in managing this external reliance. By improving these skills, the Ministry of Health can enhance the utilization of donor funds, reduce risks associated with funding uncertainties, and improve project outcomes.

According to RDT, the Ministry of Health's dependence on donor funding requires strategic responses to manage these resources efficiently. The development of budgeting skills, for example, enables the Ministry to allocate funds in alignment with project priorities and address potential resource fluctuations. This strategic resource management reduces the risk of inefficiency and ensures that donor funds are used to their full potential. However, while RDT provides valuable insights into managing external dependencies, it may not fully address the internal organizational dynamics and specific mechanisms through which financial management skills directly influence the effective use of funds.

Agency Theory (AT), introduced by Jensen (1976), complements RDT by focusing on the relationship between principals (donors) and agents (project managers). This theory is particularly relevant in understanding how financial management skills can reduce agency problems that arise when the interests of the donors and project managers are misaligned. Effective budgeting, financial reporting, and monitoring ensure that project managers adhere to the donors' expectations, improving accountability and efficiency. Agency Theory highlights how financial management skills are essential for aligning the goals of both parties, ensuring that funds are used in a manner that meets donor expectations and project objectives.

Both RDT and AT underline the importance of strong financial management skills in enhancing the effectiveness of donor-funded health projects. Budgeting skills, as emphasized in RDT, enable the Ministry to prioritize health needs, adapt to funding fluctuations, and ensure efficient allocation of resources, thus supporting the first objective of optimizing donor fund use. Furthermore, financial reporting and monitoring skills, highlighted by both theories, ensure transparency and accountability. These skills provide clear and accurate updates on fund usage, fostering trust with donors and reducing conflicts between donor intentions and project outcomes. In turn, they help fulfill the study's second and third objectives of aligning fund utilization with donor expectations and ensuring adherence to donor guidelines.

Therefore, these two theories, RDT and AT, collectively illustrate how financial management practices such as budgeting, financial reporting, and monitoring can strengthen the Ministry's capacity to manage donor dependencies and align project goals with donor expectations. This alignment is crucial for achieving effective donor fund utilization, thereby enhancing the success of health projects in Tanzania. By addressing these financial management gaps, the Ministry can optimize the use of donor resources, improve accountability, and ultimately achieve better health outcomes.

Empirical Review

Kapologwe (2019) evaluated the impact of the Direct Health Facility Financing (DHFF) program on health system performance in Tanzania. Using a non-controlled before-and-after mixed methods design, the study incorporated both quantitative and qualitative approaches. Data were gathered from a nationally representative sample of 42 health facilities, 422 patient consultations, 54 health workers, and 42 health facility governing committees across seven regions of Tanzania. The research utilized diverse data collection methods, including questionnaires, focus group discussions, in-depth interviews, and documentary reviews. Grounded in the Theory of Change and the Implementation Fidelity Framework, the study aimed to assess the effects of the DHFF program on key outcomes such as maternal health service quality, governance, accountability, and health system responsiveness. The sample size was strategically chosen to ensure comprehensive representation across various health facility types, with participants selected randomly from the national health facility registry. The findings were expected to provide valuable insights into how the DHFF program influences health service delivery and governance within Tanzanian health facilities.

Similarly, Mpenzi (2020) focused on assessing the implementation of the DHFF program in primary health facilities in Kaliua District. Employing a case study design, the research utilized both qualitative and quantitative methodologies. Data were collected from 238 respondents, including health facility staff, Council Health Management Team (CHMT) members, and Health Facility Governing Committees (HFGCs), using structured questionnaires, interviews, focus group discussions, and documentary reviews. Participants were selected through simple random and purposeful sampling techniques, ensuring diverse representation. The study revealed a positive impact of the DHFF on financial management practices, with 72.9% of respondents confirming adherence to planning guidelines, and 70% reporting effective fund utilization. These improvements contributed to better healthcare delivery, such as enhanced availability of medicines and medical equipment. However, the study also highlighted challenges such as delayed fund disbursements and only 50% compliance with financial guidelines, which hindered the full potential of the program.

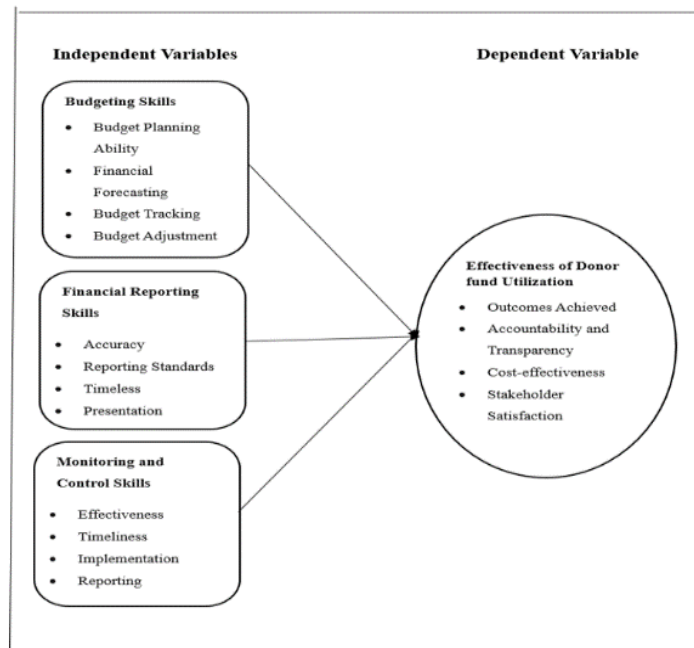
In another study, Anita (2022) examined the role of results-based monitoring and evaluation (M&E) systems on the performance of Constituency Development Fund (CDF) projects. The research adopted a descriptive research design and targeted a sample of 99 Project Management Committee (PMC) members across 23 CDF projects in 17 constituencies within Nairobi County. Data collection was carried out through questionnaires, with a pilot study ensuring reliability using convergent validity and Cronbach's Alpha Coefficient. The findings revealed a significant correlation between M&E planning and project performance ($r=0.528$, $p=0.000$), and stakeholder participation ($r=0.470$, $p=0.000$). These results underscored the importance of effective M&E systems and active stakeholder involvement in enhancing project outcomes. The study emphasized the need for project managers to

actively design M&E systems and engage stakeholders in data collection and decision-making processes, as these factors were crucial for improving the performance of CDF-funded projects.

Mathayo (2022) identified the challenges and approaches related to M&E among NGOs in Musoma. The research utilized a cross-sectional quantitative study design, collecting data from 44 respondents across 11 NGOs in the municipality. The study found that the most commonly used M&E approach was result-oriented (57% of respondents), followed by less frequent use of methods such as the Logical Framework, Reflexive, and Constructivist approaches. The findings revealed significant challenges faced by NGOs in implementing M&E systems, including insufficient funding (72.7%) and a lack of skilled M&E professionals (63.6%). Furthermore, 86.4% of respondents indicated that varying reporting requirements from multiple donors created difficulties in standardizing M&E practices. The study concluded that NGOs need to strengthen their M&E capacities by investing in training, resource allocation, and collaboration with skilled experts. It recommended leveraging online resources to build staff capacity and advocating for increased funding to improve M&E effectiveness.

These studies provide a comprehensive view of the challenges and successes of financial management and monitoring practices in donor-funded projects across different sectors in Tanzania. While each study focuses on a specific program or region, they collectively highlight the importance of effective financial and M&E practices in enhancing the performance and sustainability of such projects. The connection between financial management skills and the successful utilization of donor funds becomes evident, particularly when addressing issues like timely fund disbursements, transparency, and adherence to guidelines. These empirical findings underscore the need for capacity-building initiatives and strategic planning to improve the efficiency and impact of donor-funded health projects in Tanzania and beyond.

Figure 1: Conceptual Framework



Source: Authors' design (2024)

3. Methodology

This study was conducted in the Dodoma region, Tanzania, selected due to its strategic importance as the administrative capital and the location of the Ministry of Health's headquarters. Dodoma's central role in managing and coordinating health projects, many of which are funded by international donors, makes it an ideal setting for examining the influence of financial management skills on the utilization and effectiveness of donor funds. The study employed a quantitative approach methodology. Moreover, a case study design was used to explore how financial management skills impact the effectiveness of donor fund utilization in health projects at the Ministry of Health in Dodoma. The study targeted a population of 190 employees at the Ministry, including Project Managers, Accounting Officers, Procurement Officers, Project Coordinators, Project Officers, Monitoring and Evaluation Officers, and Internal Project Auditors. A sample size of 129 respondents was calculated using Yamane's (1967) sample size formula, and stratified random sampling was employed to ensure representation across key roles within the Ministry. This approach enabled a comprehensive analysis of how different financial management skills influence fund utilization across various organizational roles.

Primary data was collected through interviews and questionnaires, with questionnaires used to gather quantitative data from 122 respondents on financial management skills and perceptions of donor fund utilization. These questionnaires included Likert-scale questions to quantify responses and identify trends. In-depth, structured interviews were conducted with 7 Project Managers to gather qualitative data on their experiences and challenges related to financial management and fund effectiveness.

4. Findings

Demographic and work distribution of respondents

Results on Table 1 present the characteristics of respondents in the study based on their roles in the project, gender, type of project, and years of experience in project management. In terms of role in the project, the largest group of respondents were Project Officers (33.6%), followed by Procurement Officers (22.1%) and Project Coordinators and Accounting Officers (16.4% each). The roles of Monitoring and Evaluation Officers and Internal Project Auditors accounted for the smallest proportions, each representing 5.7% of the total sample. This distribution suggests that most respondents hold roles directly involved in the implementation and management of health projects, with a strong representation of project management and procurement professionals.

Regarding gender, the majority of respondents were male (64.8%), while female respondents made up 35.2% of the sample. This gender imbalance highlights a notable underrepresentation of women in project management positions within the Ministry of Health, which could reflect broader gender disparities in leadership roles in the Tanzanian health sector. The study also revealed that all respondents were involved in health projects, as shown by the 100% representation in this category, emphasizing the focus on health-related initiatives. No respondents were involved in infrastructure or education projects, indicating that the research was concentrated on the health sector.

Table 1: Demographic and work distribution of respondents

Variable	Attribute	Frequency	Percentage
Role in Project	Project Managers	0	0.00%
	Accounting Officers	20	16.40%
	Procurement Officers	27	22.10%
	Project Coordinators	20	16.40%
	Project Officers	41	33.60%
	Monitoring and Evaluation Officers	7	5.70%
	Internal Project Auditors	7	5.70%
Gender	Male	79	64.80%
	Female	43	35.20%
Type of Project	Health Project	122	100.00%
	Infrastructure Projects	0	0.00%
	Education Projects	0	0.00%
Years of Experience in Project Management	1 - 2 years	19	15.60%
	2 - 4 years	29	23.80%
	4 - 6 years	48	39.30%
	8 - 10 years	26	21.30%

Source: Field Data (2024)

The analysis of years of experience in project management showed that most respondents had 4-6 years of experience (39.3%), followed by 2-4 years (23.8%), and 8-10 years (21.3%). A smaller group had 1-2 years of experience (15.6%). This distribution suggests that the majority of respondents had a moderate level of experience, which is important for understanding their perspectives on financial management and donor fund utilization. The varying levels of experience among the respondents provide a broad view of how different expertise levels might influence the effectiveness of financial management in donor-funded health projects.

Table 2: Factors influencing adherence to financial management

Factors	Mean	Std. Deviation	Skewness	Kurtosis
Strong leadership commitment to financial transparency and accountability	4.25	0.65	-0.58	0.89
Clear financial reporting guidelines and standards	4.1	0.72	-0.45	0.5
Adequate training and skill development for staff in financial management	3.9	0.8	-0.35	-0.1
Consistent monitoring and evaluation of financial processes	4.3	0.6	-0.4	1.02
Regular audits and compliance checks by internal and external auditors	4.5	0.7	-0.5	0.8

The results from Table 2 indicate that strong leadership commitment to financial transparency and accountability is the most influential factor in ensuring adherence to financial management, with a mean score of 4.25. This suggests that respondents strongly agree that leadership commitment plays a central role in driving financial discipline within organizations. The relatively low skewness of -0.58 indicates a general consensus among respondents that leadership is a critical factor, with most agreeing on its importance. Additionally, the positive kurtosis value of 0.89 indicates that responses were concentrated around the mean, implying that leadership is consistently viewed as a crucial determinant across the respondents.

Another key factor identified is the presence of clear financial reporting guidelines and standards, which scored a mean of 4.10. This suggests that having well-defined financial reporting frameworks is also seen as essential for ensuring effective financial management. The standard deviation of 0.72 reflects moderate variability in responses, with some respondents perhaps viewing the guidelines as either insufficient or overly rigid. The positive kurtosis (0.50) suggests that while the responses are generally favorable, there is a slight concentration around the mean, indicating that most participants agreed that clear guidelines are important, but there may be some differences in opinion on the specifics of those guidelines.

Consistent monitoring and evaluation of financial processes received the highest mean score (4.30), reflecting a strong agreement that regular monitoring is vital for adhering to financial management standards. This is further supported by the low standard deviation of 0.60, suggesting that respondents were largely in agreement about the significance of monitoring processes. Additionally, the positive kurtosis value of 1.02 reinforces that most respondents saw this factor as a key element in maintaining financial discipline. Other factors such as adequate training and skill development and regular audits and compliance checks were also important, but their scores were slightly lower, indicating that while these factors are valued, they may be seen as supplementary to leadership commitment and monitoring practices in achieving adherence to financial management.

Table 3: Effect of Financial Reporting Skills on the Effectiveness of Donor Fund Utilization in Health Projects

Effect of Financial Reporting Skills	Mean	Std. Deviation	Skewness	Kurtosis
Improves accuracy in financial data reporting for donor-funded health projects	4.3	0.62	-0.45	0.78
Enhances accountability and transparency in fund utilization	4.4	0.55	-0.62	0.92
Facilitates timely and effective reporting to donors and stakeholders	4.1	0.7	-0.32	0.12
Strengthens the alignment of project financial activities with donor expectations	4.2	0.6	-0.5	0.6
Reduces financial mismanagement and fund misallocation in health projects	4.25	0.65	-0.58	0.85
Improves decision-making and project planning through accurate financial reports	4.15	0.75	-0.47	0.44

Results in Table 3 present the effects of financial reporting skills on the effectiveness of donor fund utilization in health projects. The highest mean score of 4.40 was found for the effect of financial reporting skills on enhancing accountability and transparency in fund utilization. This indicates that most respondents strongly agree that robust financial reporting is key to ensuring that donor funds are used as intended. The negative skewness (-0.62) reflects that the majority of respondents view this as a critical factor, while the positive kurtosis (0.92) suggests a high level of agreement across respondents on the importance of accountability in financial reporting.

Another significant effect, with a mean of 4.30, is the improvement in accuracy in financial data reporting for donor-funded health projects. This demonstrates a strong belief that financial reporting skills are essential for minimizing errors and ensuring that funds are appropriately allocated. The relatively low standard deviation (0.62) suggests that the responses were consistent, with little variation in how respondents rated this effect. The skewness of -0.45 indicates a general consensus

towards the importance of accurate reporting, and the kurtosis value of 0.78 shows that the responses were concentrated around the mean.

The effects on reducing financial mismanagement and fund misallocation (mean = 4.25) and strengthening alignment with donor expectations (mean = 4.20) also received high ratings, further underlining the importance of financial reporting in ensuring efficient fund utilization. These factors are crucial for maintaining donor trust and ensuring that the health projects meet their financial goals. The standard deviation values for these effects (0.65 and 0.60, respectively) are slightly higher, indicating some variation in responses, though still relatively low overall. The skewness for both effects is negative, indicating general agreement that these factors play a crucial role in optimizing donor fund utilization.

Finally, the effects of timely and effective reporting (mean = 4.10) and improving decision-making through accurate financial reports (mean = 4.15) were also rated highly but received slightly lower mean scores compared to the other factors. These results suggest that while these aspects are important, they may not be as universally prioritized as the direct impacts on accountability and accuracy. The skewness values for these effects are close to zero, indicating a balanced range of responses, while the kurtosis values suggest a moderate concentration of responses around the mean. Overall, these results highlight the crucial role of financial reporting skills in ensuring the effective and transparent use of donor funds in health projects.

5. Discussions

Results in Table 2 and Table 3 highlight the crucial role that financial management skills, particularly in financial reporting, play in enhancing the effectiveness of donor fund utilization in health projects. The study emphasizes that strong leadership commitment to financial transparency and accountability (mean = 4.25) is a central factor influencing the successful use of donor funds. This finding is consistent with Agbo (2024), who discussed how leadership commitment in low- and middle-income countries (LMICs) is vital for ensuring the efficient use of financial resources. Leadership sets the tone for organizational financial practices, fostering a culture of accountability, which is crucial in donor-funded projects where financial mismanagement is a significant concern. The negative skewness of -0.58 suggests a general consensus that leadership commitment is indispensable, reinforcing Bennett (2022)'s assertion that strong leadership can drive improvements in financial management practices in donor-funded health projects.

In addition, the study reveals that clear financial reporting guidelines and standards (mean = 4.10) are key to ensuring the effective utilization of donor funds. This aligns with Kessy (2020), who noted that having well-established guidelines is essential for structuring financial processes within health projects. Well-defined financial standards help in minimizing errors in fund allocation and ensure that donor funds are used in alignment with the donor's objectives. The moderate standard deviation of 0.72 reflects a diversity of opinion on the exact structure of these guidelines, yet the general consensus remains that they are critical for ensuring the integrity of the financial management process. This finding supports Khan (2020), who emphasized that clear reporting standards are a key component in addressing the inefficiencies often seen in the management of donor funds.

Furthermore, the study identifies consistent monitoring and evaluation of financial processes (mean

= 4.30) as another critical factor for enhancing fund utilization. This result resonates with Mathayo (2022), who found that continuous monitoring in donor-funded projects ensures that financial activities remain aligned with project goals and donor expectations. Effective monitoring ensures that funds are spent according to the original plans and prevents misuse or misallocation of resources. The low standard deviation and the negative skewness of -0.40 point to broad agreement among respondents regarding the significance of monitoring. Regular oversight through evaluations is thus a key determinant of successful project implementation, as it allows for the timely detection of issues and corrective actions, ensuring the efficient use of donor funds.

In line with this, the study's findings on reducing financial mismanagement and fund misallocation (mean = 4.25) and strengthening the alignment of financial activities with donor expectations (mean = 4.20) further reinforce the importance of financial reporting skills. George Gotsadze et al. (2019) highlighted the challenges organizations face when transitioning from donor-funded programs to self-reliance, emphasizing the role of financial discipline in ensuring that donor funds are used effectively during both phases. The findings here support the notion that well-developed financial reporting systems help mitigate risks associated with fund misallocation and ensure that financial activities align with donor objectives. The relatively high mean scores and low variability in responses, as indicated by skewness and kurtosis, suggest that most respondents strongly agree that these financial reporting skills are crucial in managing donor funds.

Additionally, the timely submission of financial reports (mean = 3.57) plays an important role in ensuring the continued trust of donors. Delays in reporting can lead to miscommunications and a lack of trust between donor organizations and recipients, as noted by Ikilezi (2020), who found that delays in reporting negatively affect the effectiveness of health financing mechanisms. Financial reporting that meets deadlines helps in sustaining donor confidence and ensures that funds are utilized as planned. The study's results on reporting timeliness align with Mpenzi (2020), who found that when financial reporting is timely and accurate, it leads to improved financial management practices in donor-funded health projects.

The study also explored the role of financial reporting skills in improving decision-making (mean = 4.15) within health projects. Accurate financial reports provide the necessary data for project managers to make informed decisions about resource allocation, budgeting, and project adjustments. Bergman et al. (2021) highlighted that when project managers have access to reliable and clear financial data, they are better positioned to make strategic decisions that enhance the performance of health projects. In this study, the standard deviation of 0.75 indicates a slightly higher degree of variability, suggesting that while most respondents agree on the importance of decision-making, the exact impact of financial reporting on this aspect may vary across different project contexts.

Furthermore, the study emphasizes that financial reporting skills not only improve operational effectiveness but also facilitate stakeholder communication (mean = 3.91). Mahanga (2023) stressed that transparency in financial reporting is critical for engaging with stakeholders, including donors, beneficiaries, and government entities. Effective communication through clear financial reports ensures that all parties involved in the project are aware of its financial status and progress, which in turn builds trust and fosters collaboration. The low skewness of -0.19 and moderate kurtosis (0.951) show that most respondents agree that clear and accessible financial reports are essential for

maintaining strong relationships with stakeholders.

Therefore, these findings provide substantial evidence that financial reporting skills are essential for the effective utilization of donor funds in health projects. The results support the notion that improving financial reporting practices, such as ensuring accuracy, timeliness, and alignment with donor expectations, enhances the overall effectiveness of donor-funded projects. This is consistent with the literature by Sun (2022), who suggested that financial management and reporting are integral to achieving the desired outcomes of donor-funded health projects. The study's findings, therefore, underscore the need for ongoing capacity-building efforts aimed at strengthening financial reporting skills within health project management teams, particularly in low- and middle-income countries like Tanzania.

6. Conclusion and recommendations

This study investigated the impact of financial reporting skills on the effective utilization of donor funds in health projects, with a particular focus on the Ministry of Health in Dodoma, Tanzania. The findings highlight the crucial role of financial reporting skills in ensuring transparency, accountability, and the efficient use of donor funds. Strong leadership commitment, clear financial reporting guidelines, consistent monitoring, and timely submission of reports were identified as key factors influencing the effectiveness of donor fund utilization. The results underscore that improving these financial management skills is essential for optimizing the impact of donor-funded health projects and ensuring they meet their intended objectives.

Based on the findings, it is clear that leadership plays a critical role in fostering a culture of financial accountability. It is recommended that the Ministry of Health and other relevant stakeholders prioritize leadership training to enhance the financial management capacity of project managers and other key staff. Such training should focus on reinforcing the importance of transparency and accountability in financial reporting and encouraging managers to actively engage in decision-making processes that involve financial oversight.

Additionally, the study recommends the development and implementation of more robust financial reporting guidelines within the Ministry of Health to standardize practices across health projects. This would ensure consistency, reduce errors, and improve the alignment of project financial activities with donor expectations. Moreover, regular monitoring and evaluation of financial practices should be institutionalized as part of a broader strategy to enhance financial management. This will help in identifying inefficiencies or misallocations early and allow for corrective actions to be taken promptly.

Finally, enhancing staff training in financial reporting and auditing is crucial for improving the overall quality of financial data and the effectiveness of donor fund utilization. It is recommended that the Ministry invest in ongoing capacity-building initiatives, including workshops and seminars focused on the practical application of financial reporting skills. By doing so, the Ministry can improve the management of donor funds, ensuring that resources are allocated appropriately, timelines are met, and the intended health outcomes are achieved.

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