EXAMINING THE FINANCIAL RISK MANAGEMENT OF DONOR FUNDS: CASE OF MINISTRY OF HEALTH IN ZAMBIA

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Abstract:
This study examines the financial risk management of donor funds using the Ministry of Health (MOH) in Zambia as a case study. The study employs an exploratory case study methodology on a sample of 224 MOH employees. Zambia, being a developing country, significantly relies on donor funds to support its healthcare sector. Prudent management of donor funds is crucial for the sustained delivery of quality healthcare services. However, there has been concerns regarding the financial risk management practices at the MOH in the efficient utilization and accountability of donor funds. From the literature review, it seems no study has been done regarding the financial risk management of donor funds focusing on the MOH in Zambia. Therefore, this study fills this gap. The study findings seem to show evidence of the misappropriation of donor funds exhibited by misallocation of donor funds to unplanned projects or activities. The misappropriations of donor funds seem to be amplified by a lack of strategic planning, lack of coordination, and the absence of effective monitoring and evaluation systems. Additionally, fraud and corruption posed significant risks to donor funds at MOH. Therefore, to mitigate the risks, the study recommends that robust anti-misappropriation measures, enforcement of due diligence on implementing partners, a thorough review of procurement processes, and regular monitoring and evaluation of donor-funded projects be strengthened at the MOH in Zambia. Whistleblower protection and reporting mechanisms should be promoted to help detect and deter fraudulent activities at this Ministry.

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Keywords: financial risk management; donor funds; whistle-blower; anti-corruption practices; cooperating partners

1. Introduction

This study examines the financial risk management of donor funds using the Ministry of Health (MOH) in Zambia as a case study. The study employs an exploratory case study methodology on a sample of 224 MOH employees. From the literature review, it seems that so far, no study on the financial risk management of donor funds has been done focusing on the MOH in Zambia. Therefore, this study fills this knowledge gap.

The administration of donor funds plays a crucial role in supporting and sustaining various programs and initiatives in the health sector of developing countries like Zambia. These funds are usually provided by external donor organizations or individuals with the objective of enhancing access and delivery of healthcare services by supplementing government budgetary efforts towards the health sector and promoting economic development. The efficient management of donor funds has gained significant attention worldwide, as they play a crucial role in supporting development initiatives in various sectors in general and health sectors in particular. However, the mismanagement and inadequate financial risk management of these funds could lead to substantial financial and reputational risks for both the donors and the recipient organizations (Smith, 2022; Zietlow, et al., 2022).

Like many other developing countries, Zambia relies heavily on donor funds to support its healthcare sector. These funds are critical for the delivery of quality healthcare services, improving the healthcare infrastructure, and implementing the general health programs in the country (Ministry of Finance Zambia, 2022; Auditor General’s Report, 2022, hereafter AG, 2022).

The current financial risk management strategies employed by the MOH in Zambia seem to be less effective at mitigating the financial risks of donor funds. The ineffectiveness is evidenced by the persistent AG reports regarding mismanagement, and misappropriation along with the lack of accountability and transparency of donor funds use. For instance, reports by the Auditor General of Zambia (AG, 2021, 2022) highlighted instances of financial mismanagement and misappropriation of donor funds within the MOH. The reports revealed significant weaknesses in financial controls, lack of proper documentation, and inadequate monitoring and evaluation systems regarding the disbursement and usage of donor funds. Consequently, there have been concerns regarding the financial risk management practices employed by the Ministry of Health in Zambia. Effective management of financial risks is imperative in the public sector, where mismanagement of donor funds could lead to reputational damage and public mistrust (Kusevija & Pejic-Bach, 2019; Zietlow, et al., 2022)

Although the literature review indicates that several studies have been done on financial risk management of donor funds in the public sector with respect to the drivers of donor funds mismanagement and/or misappropriation (See for example, Mumbi &
Masebo, 2015; Chomba & Belle, 2017; Kusevija & Pejic-Bach, 2019; Smith, 2022). These studies focused on other sectors such as education, not-for-profit and non-governmental organizations (NGOs), Civil Society Organizations (CSO) not on the health sector. There seem to be knowledge gaps in terms of studies focusing on the examination of financial risk management practices of donor funds at the MOH in Zambia. The study that is closer to ours is one done in Kenya by Lukio (2018). Therefore, this explorative study endeavors to fill these gaps using MOH in Zambia as a case study. It is envisioned that the recommendations of this study will help to improve financial risk management strategies and accountability of donor funds use in the public health sector in Zambia.

The following specific objectives guide the study:
1) To determine the causes of the misappropriation of funds at the MOH in Zambia.
2) To examine the relationship between risk factors in the administration of donor funds and the misappropriation of funds in the MOH in Zambia.
3) To determine the benefits of risk management practices in the administration of funds at MoH.

In terms of scope, the study specifically focuses on identifying, assessing, and mitigating financial risks associated with donor funds within the MOH in Zambia. The study considers the existing financial risk management policies, practices, and frameworks at the MOH. It also investigates the challenges faced in managing financial risks and the effect of these risks on the utilization of donor funds and the provision of health services. However, the study does not delve into the broader operations of the MOH apart from the financial risk management of donor funds. Additionally, the paper does not focus on other risk management issues unrelated to donor funds.

2. Literature Review

2.1 Theoretical Review

2.1.1 Agency Theory
This theory asserts that, as one party called the principal delegates tasks to another known as the agent, there is a risk of the agent acting in their own self-interest (Jensen & Meckling, 1976). In the context of this study, the Ministry of Health (MOH) serves as the principal, and administrators of donor funds act as agents. This theory is relevant to the study, aiding in understanding potential risks related to conflicts of interest, moral hazards, and adverse selection in the administration of donor funds.

2.1.2 Stakeholder Theory
The Stakeholder theory explains that organizations are responsible for considering all stakeholders' interests, including donors' funds (Freeman, 1984). With regards to this study, this theory helps in understanding the significance of addressing the needs and expectations of donors of funds to maintain their trust and secure future funding. It also emphasizes the importance of effective communication and engagement with relevant stakeholders.
2.1.3 Resource Dependence Theory
The Resource Dependence theory argues that external resources, like donor funds, influence the behaviour and decision-making of organizations. Its theory suggests that organizations become dependent on external resources, affecting their actions and strategies (Pfeffer & Salancik, 1978; Patton, 2015). This theory helps us explore how the MOH in Zambia manages risks associated with donor funds and the potential conflicts of interest or compromises that may arise in decision-making.

2.1.4 Contingency Theory
The Contingency theory contends that there is no one-size-fits-all approach to management, and practices should be contingent upon specific circumstances and contexts. Considering this study, this theory helps explore how risk management practices can be related to the idiosyncratic characteristics of an organization or Ministry, such as the MOH in Zambia. Examining approaches of similar organizations or countries provides insights into best practices relevant to the specific context (Donaldson, 1996).

In this paper, we are of the view that the Agency theory and Resource Dependency theories underpin our investigation of the financial risk management of donor funds at the MOH in Zambia.

2.2 Review of Related Empirical Literature
The study by Zietlow et al. (2022) titled "Financial Risk Management in Nonprofit Organizations” provides a comprehensive guide to financial risk management in nonprofit organizations. Their methodology included a systematic literature review and case studies. The findings of this study offer practical strategies and techniques for managing financial risks associated with donor funds. Similarly, Smith and Wiseman (2018) employed a case study approach where they examined the financial risk management practices of a specific nonprofit organization. Their findings emphasize the importance of clear risk management policies, regular risk assessments, and effective internal controls to safeguard donor funds.


Smith and Wiseman (2021) did a study aimed to extract lessons learned from nonprofit organizations’ experiences in managing financial risks. The methodology involved qualitative analysis of real-world cases. To ensure the proper utilization and protection of donor funds, Smith, and Wiseman (2021) recommended that there should be proactiveness in risk management, effective communication, and continuous
monitoring and evaluation of donor-funded projects. Employing multiple case study analyses, Smith and Wiseman (2020) conducted a study to analyze the financial risk management practices of various non-profit organizations. The study revealed that common risk management challenges faced by nonprofit organizations include inadequate financial controls, lack of risk awareness and underscoring the need for improved risk management strategies for donor funds. Smith and Wiseman (2019) conducted a study titled "The Impact of Financial Risk Management on Donor Confidence: Evidence from Nonprofit Organizations. The study investigated the impact of financial risk management practices on donor confidence. The methodology involved empirical analysis using donor perception data. The study found a positive correlation between effective financial risk management and increased donor confidence. These findings emphasize the importance of transparent and accountable financial practices in maintaining donor support.

Wilson and Brown (2022) conducted a study titled "Transparency and Accountability in Financial Risk Management: A Systematic Literature Review." The aim was to provide an overview of existing research on transparency and accountability in financial risk management. The methodology employed was a systematic literature review. The review emphasized the importance of transparency measures, such as financial reporting, disclosure, and stakeholder engagement, in ensuring accountability and effective financial risk management of donor funds.

Garcia and Smith (2021) conducted a study titled "Improving Transparency in the Financial Risk Management of Donor Funds: Lessons from International Nonprofit Organizations." The aim was to identify best practices and challenges in improving transparency in managing donor funds. The methodology involved a comparative analysis of international nonprofit organizations. The study highlighted the importance of standardized reporting, clear communication, and donor engagement to enhance transparency and build donor trust in financial risk management.

Martinez and Wilson (2020) conducted a study titled "Accountability Mechanisms in the Financial Risk Management of Donor Funds: A Cross-Country Analysis." The aim was to compare accountability mechanisms in managing donor funds across different countries. The methodology employed was a cross-country analysis of accountability mechanisms. The study identified variations in accountability practices, emphasizing the need for country-specific regulations, oversight, and reporting requirements to ensure effective financial risk management and accountability.

The study titled "Transparency and Accountability in the Financial Risk Management of Donor Funds: A Comparative Analysis" by Johnson (2019) aimed to examine the level of transparency and accountability in managing donor funds among different nonprofit organizations. The methodology employed was a comparative analysis of nonprofit organizations. The findings revealed variations in transparency and accountability practices, emphasizing the importance of clear reporting, disclosure, and stakeholder engagement for effective financial risk management.
Brown and Smith (2018) conducted a study titled "The Role of Transparency in Financial Risk Management of Donor Funds: Evidence from Nonprofit Organizations." The study examined the relationship between transparency and financial risk management practices in nonprofit organizations. The methodology involved an empirical analysis using survey data. The study found a positive correlation between transparency measures, such as open financial reporting and disclosure, and the adoption of effective financial risk management strategies for donor funds.

Thompson (2017) conducted a study titled "Enhancing Accountability in the Financial Risk Management of Donor Funds: Lessons from the Field." He employed a qualitative analysis of case study approaches. The aim was to extract lessons learned from nonprofit organizations' experiences in enhancing the accountability of donor funds. The study found that strong governance structures, internal controls, and external audits promote accountability and transparency in the usage of donor funds and help in mitigating financial risks associated with donor funds.

Davis and Wilson (2016) did a cross-sector analysis study regarding transparency and accountability in the financial risk management of donor funds. The methodology involved a cross-sector analysis of nonprofit, public, and private organizations. The study identified sector-specific challenges and best practices, emphasizing the need for sector-specific guidelines and standards to ensure transparency and accountability in financial risk management.

Johnson and Anderson (2015) analyzed the impact of transparency measures on donor confidence in financial risk management practices. The methodology employed was empirical analysis using donor perception data. The study demonstrated a positive relationship between transparency, donor trust, and increased financial support. It highlighted the importance of transparent financial reporting and disclosure in managing donor funds effectively.

In the study titled "The Role of Oversight Mechanisms in Financial Risk Management of Donor Funds: A Comparative Analysis" by Johnson (2019), the aim was to examine the effectiveness of oversight mechanisms in managing financial risks associated with donor funds. The methodology used was a comparative analysis of nonprofit organizations. The study found significant variations in oversight practices and their impact on financial risk management, highlighting the importance of strong governance structures, internal controls, and external audits.

A study titled "The Impact of Oversight Mechanisms on Financial Risk Management: Evidence from Nonprofit Organizations" by Brown and Smith (2018) investigates the relationship between oversight mechanisms and financial risk management practices in nonprofit organizations. Using a survey methodological approach, the study found a positive correlation between effective oversight mechanisms such as board oversight, internal audits, and risk committees, and the adoption of robust financial risk management strategies for donor funds.
3. Methodology

3.1 Conceptual Framework
Conceptually, we envision that the dependent and independent variables interact as shown in Figure 1.

In this study, the risk factors in the administration of donor funds, transparency and mechanism measures, and governance and oversight measures constitute the independent variables, while misappropriation of donor funds is the dependent variable.

Figure 1: Conceptual Framework

Independent Variables

- Risk Factors in Administration of Donor Funds
- Transparency and Mechanism Measures
- Governance and Oversight Measures

Dependent Variable

- Misappropriation of Donor Funds

Source: Adapted from Kusevija & Pejic-Bach (2019)

3.2 Material and Methods
3.2.1 Research Design, Data Collection and Data Analysis
In terms of study design, we employ an exploratory case study. This strategy involves conducting in-depth interviews with professionals from different roles within a single organization (Saunders et al., 2016). This design is used to investigate a new or previously unexplored topic or phenomenon. An exploratory case study aims to gather initial insights, learn about the key aspects of the subject, and generate hypotheses or theories for further investigation. Yin (2017) explains that an exploratory case study involves examining a bounded system or a specific instance within a real-life context. The data were collected through semi-structured interviews. A survey approach was used in the collection of data. It was envisaged that the data collected in this manner would provide rich insights into the thoughts and experiences regarding risk management and fraud prevention (Saunders et al., 2009). The targeted population was 506 staff members at the Ministry of Health Headquarters in Lusaka, Zambia.

The Yamane formula\(^\text{ii}\) was used to derive a sample. Yamane’s (1967) statistical formula is used to determine the sample size for a survey or research study, particularly when the population size is known, and the researcher wants to ensure a representative

\(^{ii}\) Developed in 1967 by Japanese statistician Taro Yamane, is a popular tool for determining sample size. One of its advantages is its simplicity to calculate the sample size required for a study.
sample. It is important to note that the Yamane formula assumes a simple random sampling method.

The formula is given by:

\[ n = \frac{N}{1+N(e)^2} \]

Where:
- \( n \) is the required sample size.
- \( N \) is the population size.
- \( e \) is the desired level of precision (margin of error), expressed as a proportion (for example, in this study, we would take a 5% margin of error, which would be 0.05).

When we plug the values in the formula, we obtain the following:

\[
\begin{align*}
    n &= \frac{506}{1 + (506) \times (0.05)^2} \\
    n &= \frac{506}{1 + 506 \times 0.0025} \\
    n &= \frac{506}{2.265} \\
    n &= 223.3996 \\
    n &= 224
\end{align*}
\]

Therefore, the representative sample size used in this study was 224 staff members at the Ministry of Health (MOH) in Zambia.

4. Findings, Results and Discussions

We use the Thematic analysis approach to conduct data analysis. The thematic analysis approach is an effective method for analysing qualitative or textual data. This approach enables the researcher to organise and interpret data in order to identify patterns or themes that address research questions. This approach enables researchers to gain valuable insights into participants' experiences or perspectives by conducting a rigorous and systematic analysis. The thematic analysis involves six stages: Familiarizing oneself with the data, generating initial codes, searching for themes, reviewing themes, defining, and naming themes, and producing the final report. These stages allow the researchers to immerse themselves in the data, identify key ideas, and develop a comprehensive understanding of the phenomenon under investigation (Braun & Clarke, 2006; Kusevija & Pejic-Bach, 2019).

Table 4.1 gives a summary of some of the demographics in the sample distribution. From Table 4.1, it is easy to observe that a variety of age groups participated as respondents in this study. In general, the age range of the respondents ranged between 25 and 55 years. In terms of experience, all the levels of management were sampled. This makes the sample to be representative. It is also clear from Table 4.1 that most respondents had work experience of at least 5 years given that the cumulative percentage of the majority of respondents is nearly 67%.
Table 4.1: Demographic Distribution

<table>
<thead>
<tr>
<th>Age (years)</th>
<th>Frequency</th>
<th>Per cent</th>
<th>Cumulative per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>25-35</td>
<td>2</td>
<td>13.3</td>
<td>33.3</td>
</tr>
<tr>
<td>36-45</td>
<td>7</td>
<td>46.66</td>
<td>59.96</td>
</tr>
<tr>
<td>46-55</td>
<td>3</td>
<td>20</td>
<td>79.96</td>
</tr>
<tr>
<td>55 and above</td>
<td>3</td>
<td>20</td>
<td>100</td>
</tr>
<tr>
<td>Work experience</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 to 5 years</td>
<td>3</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>5 to 10 years</td>
<td>7</td>
<td>46.66</td>
<td>66.66</td>
</tr>
<tr>
<td>10 years and above</td>
<td>5</td>
<td>33.33</td>
<td>99.99=100</td>
</tr>
<tr>
<td>Management Levels of Respondents</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Upper management</td>
<td>5</td>
<td>33.33</td>
<td>33.33</td>
</tr>
<tr>
<td>Middle management</td>
<td>5</td>
<td>33.33</td>
<td>66.66</td>
</tr>
<tr>
<td>Lower management</td>
<td>5</td>
<td>33.33</td>
<td>99.99=100</td>
</tr>
</tbody>
</table>

Source: Authors elaboration on field data.

Table 4.2 elucidates the interview themes and subthemes in the study.

Table 4.2: Interview Themes and Subtheme

<table>
<thead>
<tr>
<th>Themes</th>
<th>Subthemes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk factors in the administration of donor funds at MoH in Zambia</td>
<td>Misallocation of funds</td>
</tr>
<tr>
<td></td>
<td>Lack of transparency</td>
</tr>
<tr>
<td></td>
<td>Inadequate financial controls</td>
</tr>
<tr>
<td></td>
<td>Potential fraud or corruption</td>
</tr>
<tr>
<td>Current risk management practices in the administration of donor funds at MoH in Zambia</td>
<td>Regular risk assessments</td>
</tr>
<tr>
<td></td>
<td>Internal controls:</td>
</tr>
<tr>
<td></td>
<td>Monitoring and evaluation mechanisms</td>
</tr>
<tr>
<td></td>
<td>Accountability and transparency</td>
</tr>
<tr>
<td>Benefits of effective risk management practices in the administration of donor funds at MoH in Zambia</td>
<td>Improved financial accountability</td>
</tr>
<tr>
<td></td>
<td>Increased donor trust and confidence</td>
</tr>
<tr>
<td></td>
<td>Enhanced efficiency in fund allocation and utilization</td>
</tr>
<tr>
<td></td>
<td>Reduced chances of financial mismanagement or loss</td>
</tr>
</tbody>
</table>

Source: Authors’ elaboration on data.

Objective 1.1: To determine the causes of the misappropriation of funds at the MOH in Zambia.

According to this objective and its relation to the study findings, it can be inferred that there is evidence of misallocation of funds, with instances of funds being allocated to incorrect projects or activities arising from the lack of strategic planning, coordination, and needs assessment. Given the foregoing, we recommend the alignment of donor-funded projects with overall healthcare and donor goals and priorities. Effective monitoring and evaluation systems are also crucial to track project progress and ensure appropriate donor fund utilization. In addition, there is a need to promote transparency, promote better documentation, disclosure of financial information, and establish clear reporting protocols and guidelines. The potential for fraud and corruption seems to be a
significant risk in the utilization of donor funds at this Ministry. Thus, measures such as robust anti-corruption practices, due diligence on implementing partners or agencies, thorough review of procurement processes, and regular monitoring of financial transactions are essential to mitigate these risks. Additionally, whistleblower protections and reporting mechanisms which should incorporate anonymous digital platforms should be enhanced as whistle-blowers play an important role in detecting and deterring fraudulent activities (Davis and Wilson, 2016b; Martinez and Wilson 2020).

**Objective 1.2:** To examine the relationship between risk factors in the administration of donor funds and the misappropriation of funds in the MOH in Zambia.

Regarding this objective and based on the study findings and interpretations, it was found that the Ministry of Health (MoH) in Zambia has implemented relatively comprehensive financial risk management practices in the administration of donor funds. However, some risk factors in the administration of donor funds remain. The study revealed inadequacies in the level of transparency in allocating and utilising donor funds. The study also revealed the lack of clarity, disclosure, and understanding of decision-making processes and inadequate financial controls. The implications of these risks are that this may hinder external stakeholders from influencing and holding the administrators of donor funds accountable. The issue of inadequate financial controls increases the risk of misuse or embezzlement of donor funds. Therefore, stronger financial controls, such as segregation of duties, enhanced oversight mechanisms, regular financial audits, and capacity-building measures should be implemented to prevent and/or mitigate potential misappropriation of donor funds (Roberts, & Adams, 2014; Smith, 2022).

**Objective 1.3:** To determine the benefits of risk management practices in the administration of funds at MoH.

With respect to objective 1.3 the results of the study and the recommendations from the extant literature, it can be inferred that there are several benefits that accrue from implementing effective financial risk management practices in the administration of funds at the Ministry of Health in Zambia. The benefits include improved financial accountability, increased donor trust and confidence, enhanced fund allocation and utilization efficiency, and reduced chances of financial mismanagement or loss (Davis & Thompson, 2014; Lukio, 2018). By conducting regular risk assessments, implementing internal controls, and following clear policies and guidelines, the Ministry can identify and address potential risks to fund management, leading to improved transparency, accuracy in financial reporting, and better tracking and monitoring of fund utilization. This, in turn, fosters increased trust and confidence among donors as the Ministry demonstrates its commitment to transparent and responsible fund management (Brown & Smith, 2018). Furthermore, effective risk management practices enable the Ministry to optimize resource allocation by identifying areas of inefficiency and making informed decisions about the most impactful projects to which donor funds should be allocated.
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(Martinez & Wilson, 2020). Finally, risk management helps safeguard donor funds through periodic audits, internal control mechanisms, and proper due diligence on recipients of funds, reducing the risks of financial mismanagement, fraud, and financial loss (Garcia & Smith, 2021). Overall, the continued implementation of the effective financial risk management practices in fund administration in general at the MOH in Zambia will yield significant benefits, both in terms of financial accountability and donor confidence, ultimately contributing to the successful administration of funds and sustainable provision of quality healthcare in Zambia.

5. Conclusion

This study examined the financial risk management of donor funds using the Ministry of Health (MOH) in Zambia as a case study. An exploratory case study methodology was employed on a sample of 224 MOH employees. Overall, the MoH seems to demonstrate a strong commitment to financial risk management practices in the administration of donor funds. However, the findings of the study indicate that there are cases of misappropriation of donor funds exhibited by misallocation of donor funds to incorrect projects or unplanned activities. The misappropriation or mismanagement of donor funds seems to be largely driven by a lack of strategic planning, coordination, and needs assessment, along with the absence of effective monitoring and evaluation systems. Addressing these challenges requires strategic planning, effective monitoring systems, transparency in decision-making, financial control measures, and anti-corruption practices. The study recommends that to mitigate these risks, robust anti-corruption measures, due diligence on implementing partners or agencies, a thorough review of procurement processes, and regular monitoring of financial transactions or projects should be put in place. Going forward, we believe that enhancing the Whistleblower protection and reporting mechanisms will help in detecting and deterring fraudulent activities at the MOH in Zambia. Elaborate recommendations are outlined in the next section.

6. Recommendations

Based on the findings of this study with respect to the risk management practices in the administration of donor funds at the Ministry of Health in Zambia, we make the following elaborate recommendations:

1) **Strengthen Strategic Planning and Coordination**: The MOH should ensure funds are allocated to projects or activities aligning with overall healthcare goals and donor priorities. This can be achieved through improved strategic planning, coordination, and needs assessment. By implementing these strategies, we envisage that the Ministry can significantly mitigate the misallocation of funds.

2) **Enhance Monitoring and Evaluation Systems**: The MOH should establish effective monitoring and evaluation systems to track project progress and ensure
appropriate fund utilization. Regular monitoring visits, progress reports, and external audits can help evaluate the impact of donor-funded projects and identify any mismanagement or misappropriations.

3) **Improve Transparency and Accountability**: The Ministry needs to enhance transparency by providing clear documentation, disclosing financial information, and establishing reporting protocols and guidelines. External stakeholders should have the opportunity to influence decision-making processes and hold the administration accountable. Implementing whistleblower protections and reporting mechanisms can also encourage individuals to report potentially fraudulent activities.

4) **Establish Strong Financial Controls**: It is crucial for the Ministry to implement robust financial controls such as segregation of duties, enhanced oversight mechanisms, and regular financial audits. Capacity-building initiatives, including financial management training, can help ensure that staff members have the necessary skills and knowledge to manage donor funds effectively.

5) **Strengthen Anti-Corruption Measures**: The Ministry should implement measures to prevent fraud and corruption, such as adopting robust anti-corruption practices, conducting due diligence on implementing partners, and reviewing procurement processes. Regular monitoring of financial transactions and engagement with external auditors can help detect and deter fraudulent activities.

6.1 **Recommendation for Further Studies**
Given the limited scope of our study, we recommend that future studies consider the following research areas:

1) Exploring the potential benefits of adopting technological solutions in the administration of donor funds. This could include using blockchain technology for financial tracking and auditing or developing digital platforms to enhance transparency, reporting, and accountability.

2) Evaluating the impact of capacity-building initiatives on staff members' knowledge and skills related to financial risk management. This would help measure training programs' effectiveness and identify areas for improvement in the administration of donor funds.

3) Comparative study on the risk management of donor funds. This should involve comparing risk management practices in administering donor funds in other countries that have successfully addressed similar challenges or risks. The study should identify and analyze best practices that can provide valuable insights and inform future improvements in donor fund management strategies.
Author's Contribution
Zeleniya Angela Banda and Richard Mulenga contributed to the study design, data collection instruments, data analysis, and the writing and approval of the final manuscript.

Ethics Approval and Consent to Participate
Excellence in Research Ethics and Science (ERES) and the National Health Research Authority (NHRA) granted ethical clearance. Informed consent was obtained from the study participants.

Consent for Publication
Written informed consent for the publication was obtained from the participants.

Availability of Data and Materials
The dataset, including audio recordings and transcribed data for the study, is available from the authors upon reasonable request.

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Declaration of Competing Interest
The authors declare that there are no competing interests.

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