PROJECT ABSTRACT

Master of Business Administration
Accounting Option

Adventist University of Africa

School of Postgraduate Studies

Title: ASSESSING INTERNAL CONTROL EFFECTIVENESS IN SELECTED ORGANIZATIONS IN THE SOUTHERN AFRICA-INDIAN OCEAN DIVISION OF THE SEVENTH-DAY ADVENTIST CHURCH

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Date Completed: October 2023

The present research centered on an exhaustive evaluation of internal controls within specific entities affiliated with the Southern Africa-Indian Ocean Division of the Seventh-day Adventist Church. The primary objective was to pinpoint areas needing improvement, thereby ensuring alignment with the foundational mission and objectives of the affiliated institutions. Grounded in the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework, this study covered the key domains of Control Environment, Risk Assessment, Control Activities, Information and Communication, Monitoring Activities, and the integral aspect of Frequency of Control.

The methodology employed was quantitative, relying on an adapted questionnaire for data collection. This instrument was informed by the COSO (2013) framework and was adapted from the "ICE Control Environment Questionnaire". Data were collected from fifteen selected entities, namely the Southern Africa-Indian Ocean Division, the SIDMEDIA institution, twelve unions, and one attached field. A diverse group of 136 participants, spanning roles from officers to finance secretaries, provided valuable insights.

While 'Table 20' offers a range of actionable strategies, the study emphasizes the recommended measures to enhance the efficiency of internal controls. Key recommendations include the establishment of robust reporting systems, the creation of specialized training modules, and a revisiting and potential revamping of prevailing policies.

This research underscores the paramount importance of robust internal controls, highlighting their role in bolstering transparency, fostering accountability, and elevating overall organizational efficiency within religious institutions.

Keywords: Southern Africa-Indian Ocean Division, COSO Framework, Evaluation of Internal Controls, Improvement Areas within Religious Institutions, Frequency Control.

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A project

presented in partial fulfilment

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Master of Business Administration

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This work is dedicated with love to my dear wife, Oliva Rakotonirina, and my precious daughters, Kaliana Rakotonirina, and Kanto Rakotonirina, for their love, support, encouragement, and great understanding during this study.

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LIST OF ABBREVIATIONS

ADCOM	Administrative Committee (specific to SID)
AICPA	American Institute of Certificated Accountants
AUA	Adventist University of Africa
BUC	Botswana Union Conference
CMC	Central Malagasy Conference
COSO	Committee of Sponsoring Organizations of the Treadway Commission
ERP	Enterprise Resource Planning
ESV	English Standard Version Bible
EXCOM	Executive Committee
EW	External Whistleblowing
GC	General Conference of the Seventh-day Adventist Church
IOUC	Indian Ocean Union Conference
IW	Internal Whistleblowing
MUC	Malawi Union Conference
MZM	Mozambique Union Mission
NEAUM	North-East Angola Union Mission

NPO	Nonprofit Organization
NZUC	North Zambia Union Conference
PCAOB	Public Company Accounting Oversight Board
SID	Southern Africa-Indian Ocean Division
SIDMEDIA	SID Media Center
SDA	Seventh-day Adventist Church
SOX	Sarbanes-Oxley Act
STP	Sao Tomé & Principe Attached Field
SAUC	Southern Africa Union Conference
SWAU	South-West Angola Union Mission
SZUC	South Zambia Union Conference
ZCUC	Zimbabwe Central Union Conference
ZEUC	Zimbabwe East Union Conference
ZWUC	Zimbabwe West Union Conference

ACKNOWLEDGEMENTS

First and foremost, I humbly thank the Almighty God for His unwavering guidance and blessings that have illuminated my path throughout this scholarly journey.

To my beloved wife, Oliva Rakotonirina, and our cherished daughters, Kaliana Rakotonirina and Kanto Rakotonirina: your love, encouragement, patience, and understanding have been the beacon of hope that saw me through the most challenging times.

Dr. Barney Mack Tennyson III, my primary research adviser, and Dr. Marie-Anne Razafiarivony, my secondary research adviser, deserve my profound appreciation. Your constant encouragement, faith in my capabilities, and invaluable guidance have been instrumental in molding this research.

A sincere thank you to GC SunPlus for providing the much-needed bursary that made this study feasible. My gratitude extends to Ps. Qedumusa Mathonsi and the ADCOM of SID for the privilege of conducting this research within their esteemed organization.

The Central Malagasy Conference (CMC) has earned my deep appreciation for participating as the pivotal Pilot organization. Furthermore, my heartfelt thanks to the dedicated officers and employees of SID, SIDMEDIA, BUC, IOUC, MUC, MZM, NEAUM, NZUC, SAUC, SWAU, SZUC, ZCUC, ZEUC, ZWUC, and STP. Your contributions have enriched this research immeasurably.

To all my professors, especially Dr. Josephine Ganu, your guidance and mentorship have been invaluable. I'm also indebted to AUA for providing the academic foundation that fostered my growth and learning.

I'm profoundly grateful to Mr. Eugene Korff, Mr. Furaha Mpozembizi, and Mrs. Joy Mokotedi for their expert review and invaluable feedback on the questionnaire. Special recognition goes to Mr. Eugene Korff for his substantial contribution to shaping the questionnaire.

Warm appreciation goes to Pr. Hopekings Ngomba, Mr. Michael Muchula, and Mr. Good-Son Shumba. Your mentorship and unwavering support have been vital throughout this endeavor. An additional note of gratitude is reserved for Mr. Michael Muchula, my Supervisor, whose guidance has been pivotal to this research.

To my parents, family, church community, and friends: your relentless support, prayers, and steadfast belief in me have been the foundation upon which this academic dream was built.

CHAPTER 1

INTRODUCTION

Background to the Study

In envisioning a company, consider the profound beauty and meticulous coordination of a symphony orchestra. The objective, much like that of a business, is achieving an unparalleled performance. Yet, every musician, similar to an employee, exercises a unique instrument, bringing individual skills to the ensemble. To create a harmonious masterpiece, they must adhere to their roles, closely following the guidance of the Maestro, or the CEO in a corporate setting. The sheet music, or the business plans and reports, direct their performance. Discipline is paramount, mirrored by the concept of internal control in a business context. As discipline enhances, so too does the harmony and caliber of the orchestra's rendition.

Numerous studies indicate that organizations with faltering governance structures, questionable ethics, and an absence of corporate social responsibility often underperform financially (Puteh Salin et al., 2018). These shortcomings can also tarnish an organization's reputation (Salin & Ismail, 2015 cited in Puteh Salin et al., 2018). Furthermore, deficiencies in internal controls can lead to operational inefficiencies, fraud escalation, imprecise financial reporting (Ashbaugh-Skaife et al., 2008), and regulatory compliance challenges.

Historical accounting debacles in corporations like Enron, HealthSouth, Tyco, and WorldCom severely undermined investor trust (Agrawal & Chadha, 2005). Such

failures forced many firms into the shadow of Chapter 11 bankruptcy protection. Predominantly, weak internal controls have been at the heart of these financial reporting missteps (Lundelius, 2011; Reddy & Prasad, 2013). Consequently, such debacles triggered legislative shifts, most notably the United States Sarbanes-Oxley Act's introduction, emphasizing the pivotal role of internal controls over financial reporting.

Remarkably, nonprofit organizations, despite their philanthropic intentions, are not shielded from fraud (Scheetz et al., 2022). A closer look at nonprofit financial irregularities underscores the importance of fiduciary responsibility and highlights the need for stricter oversight. A case in point that Petrovits et al. (2011) identified indicated that nonprofits reporting internal control challenges subsequently faced reduced donations. This scenario underscores the growing legislative pressures on nonprofits to adopt stringent governance and enhance internal controls.

Within the spectrum of nonprofit organizations, the Seventh-day Adventist (SDA) Church stands tall. Established in 1863, the SDA Church has emerged as a leading global religious entity, ranked as the 12th largest religious body globally, with its missionary presence in 221 nations and territories worldwide (Seventh-day Adventist Church, 2022). With the stewardship of significant monetary contributions and vast infrastructure, the Church underscores the vitality of internal controls to safeguard resources and uphold its integrity. With a membership of nearly 22 million, a total worldwide tithe and offerings of $3.2 billion for 2020, these are managed by 138 Union Conferences and Missions, 731 Local Conferences and Missions, 92,876 Churches, 6,623 Primary Schools, and 4,870 institutions for their missionary work (Seventh-day Adventist, 2021). The SDA Church’s highest governing body, the General Conference (GC), is located in Washington, D.C., United States of America.

For administrative efficiency, the GC's governance is subdivided into 13 territories, termed "divisions", one of which is the Southern Africa-Indian Ocean Division, the focus of this study.

In navigating the vast expanse of the Seventh-day Adventist Church, particularly within the Southern Africa-Indian Ocean Division, prioritizing internal control becomes imperative. It serves not just as a financial safeguard but as an inspiration of trust and reliability for its expansive membership. This trust is foundational for ensuring the judicious use of resources and funds. The Church's commitment to these controls involves regular assessments and scrutiny of financial data, fostering transparent policies and procedures for budgeting, financial reporting, and accounting. Beyond this, the Church's meticulous internal controls emphasize the essential practice of segregating duties. This multi-layered approach, coupled with a rigorous system of checks and balances, aims to prevent fraud or potential misuse of resources. More than a procedure, the essence of internal control symbolizes exemplary governance and reflects the Seventh-day Adventist Church's firm integrity. This sentiment resonates in the General Conference Working Policy, which asserts: "The controlling board or executive committee is responsible for ensuring internal controls which are adequate to the size and complexity of the organization. Those internal controls must be designed, documented, implemented, communicated, and monitored. The effectiveness of internal controls will be determined to a large degree by the tone set by those entrusted with leadership and governance of the organization" (General Conference of Seventh-day Adventists, 2021, p. 519). Given the paramount importance of these controls, this research endeavored to critically evaluate the implementation and efficacy of this policy across the entities within the Southern Africa-Indian Ocean Division.

Statement of the Problem

Internal controls play a pivotal role in ensuring the integrity and accuracy of financial and operational activities within an organization. Their importance is underscored by their ability to: (1) safeguard the reliability of an organization's financial and operational activities; (2) mitigate risks related to asset loss, fraud, and corruption; (3) ensure conformity with the pertinent laws and regulations (The Committee of Sponsoring Organizations of the Treadway Commission, 2013); (4) optimize the efficiency and efficacy of the organization's operations (Graham, 2015); and (5) foster stakeholder confidence, encompassing members, donors, and investors (Petrovits et al., 2011).

However, entities within the SID territory grapple with substantial challenges. These include deficiencies in training and development, poorly defined role delimitations, gaps in internal communication, lack of technology integration, sporadic internal audits, feeble whistleblower frameworks, and subpar reactions to identified issues. As underscored previously, data that was expanded upon in Chapters 4 and 5 revealed that a notable proportion of respondents either lacked awareness or misunderstood the core principle: “The controlling board or executive committee is responsible for ensuring internal controls” (General Conference of Seventh-day Adventists, 2021, p. 519). These disconnects, both in understanding and practice, precipitated operational setbacks, heightened risks, and potential legal or financial ramifications, hindering these organizations from achieving their strategic aims. Resultantly, decision-making became unclear, accountability faded, and confidence in leadership eroded. Such complications not only impair the reputation and credibility of the entities but in extreme scenarios, could even jeopardize the Church's unified

standing as a religious body. This research endeavored to assess the robustness of internal controls in selected SID institutions, aspiring to identify, address, or mitigate these challenges, thereby realigning with the organization's foundational mission and goals.

Research Questions

The essence of this study was to measure employee opinions on the effectiveness of internal controls in selected organizations within SID. The following research inquiries encapsulated this core aim:

1. To what extent is the control environment of SID's selected organizations effective?
2. To what extent is the risk assessment of SID's selected organizations effective?
3. To what extent are the control activities of SID's selected organizations effective?
4. To what extent are the information and communication of SID's selected organizations effective?
5. To what extent are the monitoring activities of SID's selected organizations effective?
6. To what extent is the frequency of control of SID's selected organizations effective?
7. What actionable strategies can be formulated to fortify areas identified as weak from the preceding research questions?

Conceptual Framework

Rooted in the precept of foundational integrity and structure, internal control, serving as the bedrock for organizational management, is pivotal for achieving institutional objectives and ensuring operational reliability (Arens et al., 2012). Central to this principle are the five primary components of internal control, as outlined by The Committee of Sponsoring Organizations of the Treadway Commission (2013): Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring Activities. Each component, distinct in its role, weaves seamlessly within the overarching system, thereby crafting a resilient internal control mechanism. Anchored in this holistic understanding, the foundation of this research delved into the intricate interaction of these components, while applying the COSO framework. The study specifically employed these five components to assess internal control effectiveness within SID-selected entities.

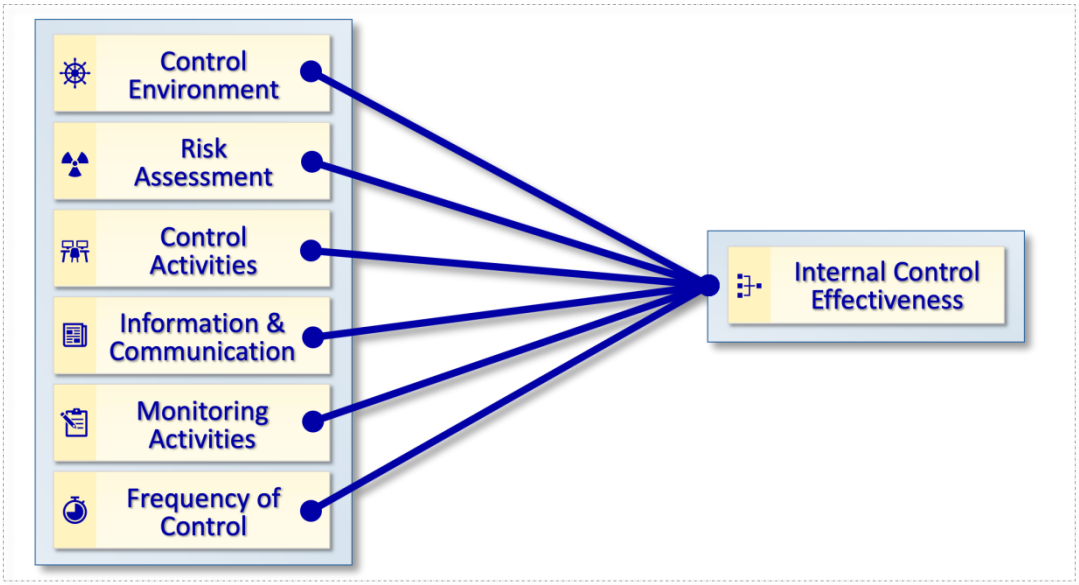

Figure 1. Conceptual framework (Source: Adapted from COSO model, 2023)

The primary focus of this study is on the effectiveness of internal control within the framework of the COSO model, which delineates five principal components: (1) Control Environment, (2) Risk Assessment, (3) Control Activities, (4) Information and Communication, and (5) Monitoring Activities. Additionally, the aspect of (6) Frequency of Control was included to assess how regularly internal control mechanisms are implemented, reviewed, or updated. This provided additional insights into the dynamic nature of control effectiveness. This study aimed to thoroughly evaluate the effectiveness of internal control in selected entities within the SID division using the insightful framework of COSO's components.

(1) The control environment, defined as the foundational layer of internal controls, establishes the organizational culture concerning integrity, ethics, and values. This foundation is crucial as it permeates through the organization, molding its operational ethos. In this study, the relevance of the control environment became evident as it set the organizational tone, influenced the control consciousness of its workforce and exemplified the organization's dedication to its mission, vision, and values. Consequently, the study underscored that a robust control environment not only facilitates the definition of realistic goals and efficient resource allocation but also fosters an environment favorable to ethical behavior and operational excellence (Länsiluoto et al., 2016).

(2) Risk assessment, as defined, encompasses the proactive identification and evaluation of potential obstacles that could impede an organization's objectives. In relation to this study, the paramount relevance of consistent risk assessments emerged through its capacity to guide organizations in customizing their internal control strategies to tackle distinct threats, particularly those that are continually evolving. Consequently, the study emphasizes that such diligent and recurring evaluations

position control activities in precise alignment with potential threats, culminating in refined risk management and augmented effectiveness of the entire internal control framework (Graham, 2015).

(3) Control activities are characterized by the rules and procedures established to guarantee the attainment of organizational goals while proficiently managing the identified risks. Within this study, the salient relevance of control activities emerged from their operational embodiment, acting as tangible mechanisms to manage and mitigate risks spotlighted during the risk assessment stage. They represented the tactical actions arising from strategic evaluations. As a resultant implication of this study, when these activities were adeptly instituted, they resulted in elevated proficiency in risk management, thus boosting the comprehensive effectiveness of the internal control framework (Graham, 2015).

(4) Information and Communication, as a component, underscore the significance of unbroken communication and precise information dissemination in strengthening the efficacy of internal controls. In the purview of this study, the intrinsic relevance is drawn from the idea that both upward and downward effective communication, along with the punctual relay of pertinent information, is fundamental for the optimal operation of the internal control system, ensuring alignment across all echelons of the organization. Springing from this study's outcomes, when organizations adopted a streamlined information and communication protocol, they enhanced their risk management practices, thereby elevating the holistic potency of their internal control frameworks (Krstić & Đorđević, 2012).

(5) Monitoring activities, the guardians of the internal control system, ensure its consistent performance and swift detection and correction of potential lapses. For the context of this study, the inherent relevance was articulated by the understanding that

consistent monitoring ensures the adaptability of the internal control system, facilitating its unwavering application and enforcement across the entire organization. As highlighted by the findings of this research, skilled monitoring culminates in an agile and adaptable internal control infrastructure, fostering superior risk management and amplifying the system's comprehensive efficacy (Graham, 2015).

(6) Frequency of Control serves as a dynamic indicator of the operational effectiveness of an organization's internal control system. It measures how frequently control mechanisms are implemented, reviewed, and updated, thus capturing the system's responsiveness to evolving risks and its aptitude for quick corrective actions. In the context of this study, a high Frequency of Control correlated with a robust internal control framework, superior risk management, and greater organizational adaptability (Daif & Azegagh, 2022).

Internal control stands as an indispensable pillar of organizational management. The interplay and seamless integration of its five components define its efficacy. Drawing an analogy, Saia (1992) likens internal control to a "structure" - implying its fundamental role; absent it, and an organization's very survival is jeopardized. Reinforcing this notion, the COSO framework (1992, as cited in Rae & Subramaniam, 2008) accentuates the essence of a holistic approach to internal control. Merging the intricacies of each component, the COSO framework creates a synchronized system of checks and balances. This is vividly captured by McNally (2015, p. 27) who articulates, “good internal control is an invisible hand – an integral part of the managerial planning and control cycle – that empowers organizations to adeptly navigate risks and seamlessly realize their objectives.”

Significance of the Study

This study's outcomes were expected to clarify the existing state of internal control within SID, while also highlighting potential avenues for enhancement. By unraveling the intricate interplay of the five foundational components of internal control, this study provides crucial insights to the management and the employees within the SID-Selected Organizations into their holistic functioning within the SID context. Such findings are instrumental for organizations in the region, equipping them with the knowledge to refine their internal control structures, thereby fostering an environment rooted in ethical behavior, operational excellence, and adaptability against ever-evolving threats.

Scope and Limitations of the Study

Scope

The research employed a descriptive quantitative design, focusing on the COSO's five-principle framework to systematically assess the effectiveness of internal control within specific SID organizations. This study was geographically centered on the Seventh-day Adventist Church organizations located in the southern part of Africa. Specifically, it covers the Division, its unions, and institutions directly affiliated with SID. The study focused on fifteen (15) entities within the SID Division: The Southern Africa-Indian Ocean Division, the SIDMEDIA institution, twelve (12) unions, and one (01) attached field. The total population of this study encompassed 136 individuals comprising officers, associate officers, assistant officers, controllers or chief accountants, internal auditors, accountants, IT or SunPlus Specialists, cashiers, and finance secretaries. Given the small population size, all members of the population were utilized for the study. This targeted approach provides an in-depth of

contextually relevant examination of the internal control systems for these specific entities within SID's territory.

Limitations

While this research promises insights into the internal control dynamics of the specified organizations, several constraints need acknowledgment:

1. **Respondent Availability and Scope Limitation**: A significant portion of respondents comprised senior leaders (including Officers, Associates, and Assistants) within the SID. These individuals often have packed schedules due to frequent travel, meetings, and various commitments. This posed a difficulty in gathering data on schedule, as timely dispatch and retrieval of questionnaires became a challenge given their tight schedules. To mitigate this limitation, a generous response window of four weeks was provided. Additionally, weekly email reminders were sent to encourage timely responses. Furthermore, assistance was requested from one of the officers per Union to urge the participants to return their questionnaires promptly.

   While the study's focus on specific geographical areas and organizational levels ensured depth and relevance, it inherently excluded a broader perspective. An exhaustive examination covering all conferences, missions, and institutions would undoubtedly provide a more comprehensive view. Yet, such a scope would demand extensive resources and time, rendering such a broad scope impractical within the existing constraints of this research.
2. **Generalizability**: Given the delimited scope, the findings, while intensely relevant to the studied subset of organizations, might have limited applicability to

other SID entities operating outside the specified region or organizational structure.

Operational Definition of Terms

Conference (Local Conference): Comprises all the churches within a designated region, often a state, province, or territory. Conferences provide administrative assistance and representation for the churches within their specific regions.

Control Activities: Represent procedures and guidelines that ensure management directives are executed as envisioned.

Control Environment: Refers to a collection of rules, processes, and structures that serve as the backbone for an organization's internal control.

Division: Acts as a segment of the GC, overseeing the management of distinct territories or Church regions. This regional office is tasked with supervising and coordinating specific unions and other Church units within designated areas.

Effectiveness: Represents the quality of an organization's internal control. Ideally, none of the five internal control components are neglected or weak, symbolizing a chain that is robust and unbroken.

Financial Report: A documented analysis or extraction of financial data for a specific period. It is formally structured and presented to select stakeholder groups as required.

General Conference (GC): The pinnacle of leadership within the SDA Church, responsible for the global mission and directives of the Church. With the headquarters in Silver Spring, Maryland, it stands as the worldwide representative voice of the Seventh-day Adventist Church.

Information and Communication: Facilitate both horizontal and vertical information exchange throughout an organization, ensuring that pertinent data are relayed across all echelons effectively.

Internal Control: A systematic procedure and structure that operates concurrently with an organization, guiding it to uphold its values, attain its objectives, and fulfill its mission.

Monitoring Activities: These encompass evaluations or analyses concerning the efficacy of control activities, typically conducted post-transaction or process completion.

Offering: The second most substantial revenue source for the SDA Church, it arises as a voluntary contribution from members, free from any regulatory spending constraints.

Risk Assessment: A systematic procedure to scrutinize potential risks associated with a planned activity or initiative.

Tithe: A primary revenue source for the SDA Church, derived from a tenth of the members' income offered back to God. Given its sacred nature, its utilization is bound by specific regulations and policies.

Union: A consortium of several conferences or churches within a defined region, often bound by shared country borders or languages. It acts as the focal point, connecting the efforts of all affiliated conferences and churches within that territory.

CHAPTER 2

REVIEW OF LITERATURE

This chapter focuses on the concept of internal control, where the various components are brought together to create an intricate design. By meticulously analyzing established frameworks and insights, the aim is to underscore the relationship between these individual components and the overarching effectiveness of internal control systems.

Introduction

Internal controls have emerged as a cornerstone for ensuring organizational integrity, financial accuracy, and overall operational efficiency. Originating from the early practices of business, the emphasis on systematic checks and balances has evolved substantially over the years (Hay, 1993). Today, internal controls are as pivotal in for-profit entities as they are in nonprofits and religious organizations, shaping the way they operate and serving as a barometer for their trustworthiness and reliability (Scheetz et al., 2022).

While the business world has been studied extensively concerning internal controls, the same cannot be said for nonprofits, and more specifically, religious institutions like the SDA Church. These entities, though governed by spiritual and altruistic objectives, require no less rigor in their financial and operational procedures. The SID Division of the SDA Church, with its expansive network of unions and

affiliated organizations, is no exception. Understanding the dynamics, efficacy, and nuances of internal controls within such a vast framework is crucial.

This literature review maps the journey of internal control from its inception to their modern applications, emphasizing their relevance across various settings (Scheetz et al., 2022). Through this exploration, the aim is to contextualize the current state of internal controls within SID, making a case for the research's significance and identifying gaps in existing literature. In doing so, it provides a foundation for the subsequent chapters, delineating the research methods and investigating deeper into the unique internal control mechanisms of the SID.

Defining Internal Control: An Evolutionary Overview

Internal control is essential as it is the backbone of all businesses (Franklin et al., 2019). Spira & Page (2003) argues that internal control mechanism quality is founded on the link between internal control, financial reporting quality, and corporate governance. This part offers various definitions to provide a thorough grasp of internal control.

In the 20th century, precisely in 1936, the American Institute of Accountants gave one of the very first definitions of internal check and control as the means and processes implemented within the organization to secure cash and other company assets, as well as to examine the clerical parts of bookkeeping (cited in Hay, 1993).

Then in 1949, the American Institute of Certificated Accountants (AICPA) defined internal control as a plan and other coordinated methods and techniques used by an organization to safeguard its assets, check the secrecy and veracity of data, improve its efficacy, and ensure stable management politics (Lakis & Giriūnas, 2012). In 1957, Grady confirmed the exact definition saying that internal control is a company’s

organizational structure and all of the processes and measures used to protect assets, ensure the correctness and reliability of accounting data, improve operational efficiency, and encourage adherence to predetermined managerial rules. What was improved to the original definition was incorporating the concept of operational efficiency and management policy objectives.

Continuing the quest for improving internal control, in 1988, the AICPA redefined it as the policies and processes created to offer reasonable certainty that the entity's stated objectives would be attained (cited in Hay, 1993). This change was later improved with the introduction of internal control integrated framework in 1992 by COSO (The Committee of Sponsoring Organizations of the Treadway Commission, 2013). COSO was founded in 1985 as an independent, private-sector initiative, which has grown as an authority in internal control.

Then, at the beginning of the 21st century, after the Enron scandal and the creation of the Sarbanes-Oxley Act (SOX) in 2002, Doyle et al. (2007) cited the Public Company Accounting Oversight Board (PCAOB) in 2004 and defined internal control as a procedure for ensuring the accuracy of financial statements. They continued that internal controls are intended to prevent or detect errors, fraud, or both. This definition emphasizes the correctness of financial reporting and fraud detection.

A few years later, Petrovits et al. (2011) defined internal control as a management-led process that ensures effective and efficient operations, accurate financial reporting, and adherence to laws and regulations. Following this, Lakis and Giriūnas (2012) noted that establishing an effective internal control system is one of the main instruments of enterprise control, whose execution under current economic conditions creates the conditions for achieving a competitive advantage over other businesses. They say that the market is continually changing in the industry sector,

which necessitates a shift in attitude toward internal control from a strictly financial perspective to the management of the control process. They define internal control as a risk management tool that aids the organization in achieving its objectives and completing its tasks.

A year later, in 2013, COSO, in its update of the internal control integrated framework release, redefined internal control as a process in which an entity's board of directors, management, and other people work together to provide reasonable assurance that operational, reporting and compliance objectives are met (The Committee of Sponsoring Organizations of the Treadway Commission, 2013). After this up-date, it is essential to note that the notion of risk became an integrated part of internal control, confirmed by definition from Franklin et al. (2019), who see internal control as procedures in place to manage risk and reduce the likelihood of fraud.

The Seventh-day Adventist Church's Accounting Manual committee connected internal control to the accounting cycle. It defines it as a mechanism that works in tandem with the accounting cycle (Seventh-day Adventist Accounting Manual, 2nd Edition, Revised Draft, 2002). The document elaborates that financial managers use internal control to guarantee that the cycles are relevant, timely, and dependable.

In recapitulation, the considerable numbers of definitions over the years say that researchers have not stopped improving and talking about the concept of internal control. It discusses its importance in every business, regardless of size, type, or objective. Nevertheless, related to the SID's context and the need of this study, the author defined internal control as a sound system with a constant effort to promote and push the organization forward to attain its objective by preserving its assets and

resources, regulating, and keeping all activities compliant, and by assisting financial reporting to be timely, accurate, and relevant.

Importance of Internal Controls in Business

This part of the study addresses the place and the essential role of internal control in business and its impact if it is weak or missing. Every organization needs the discipline to attain its objectives regardless of the structure. Internal control is the discipline that they need. The Seventh-day Adventist Accounting Manual, 2nd Edition, Revised Draft (2022) argues that internal control is positional, not personal, and rises above individuals. A worker can be entirely trusted yet is also required to follow the processes their employment requires. Internal control is not in place due to the person in charge. It is not a question of relationship nor trust but of control. In other words, internal control is not optional. It cannot be deemed necessary based on the organization's size, the relationship between management and employees, or the type or structure in place. Serious organizations devoted to their mission and values would incorporate internal controls into their leadership structure.

Not only is internal control a required discipline, but it is also essential for producing high-quality financial reports. Kinney (2000) stated that internal control systems have long been critical to producing high-quality financial reports (cited in Rubino & Vitolla, 2014). The Seventh-day Adventist Accounting Manual, 2nd Edition, Revised Draft (2022) affirms that internal control is crucial when addressing finances. Essentially, it ensures that management obtains accurate financial data. Wise financial information is essential for making good decisions. In other words, reliable, timely, and pertinent financial information is the finest basis for improved decision-making.

Internal control also serves as a check on management's authority and a barrier against abuse. Li et al. (2012) pointed out the negative effect of management override on financial reporting due to a lack of internal control. They said managers could estimate correct accrual amounts less if a company has insufficient internal controls. As a result of these inadvertent misrepresentations, financial data are untidy and unreliable. Furthermore, managers of companies with insufficient internal controls can more easily circumvent the rules and generate purposefully skewed accrual estimates to satisfy their opportunistic financial reporting goals. COSO enhanced that finding by stating that breaches in internal controls taught essential lessons about management override, conflicts of interest, lack of segregation of duties, poor or nonexistent transparency, siloed risk management, ineffective board oversight, and unbalanced compensation structures, all of which enabled or drove dysfunctional, irresponsible behavior, or both (The Committee of Sponsoring Organizations of the Treadway Commission, 2013).

However, internal control is more than just a security measure; it also guides the attitude and behavior of every person and motivates them to contribute effectively to the organization's operations. Internal control is becoming a more significant corporate governance instrument for supporting operations and laying the ground-work for effective business strategy and corporate performance (Rubino & Vitolla, 2014). Grady (1957, as cited in Lee, 1971) validates this notion that direct or indirect internal control examines the integrity and dependability of accounting data, enhances operational efficiency, and encourages conformity with existing standards.

The researcher believes that internal controls can help steer an organization toward its goals, sustaining each actor involved, reassuring the donors and investors, and maintaining the necessary resources for achieving those goals. Although

Effectiveness and efficiency are of the utmost importance, the key to achievement is a consistent quality of the operations and maintaining the workforce's morale and motivation. Internal control is the dependable companion of the company for that purpose if they heed its guidance and wisdom.

Internal Control in Nonprofit Organizations

Given recent benefit decreases and an increase in the number of individuals in need of assistance, the need for organizations to serve the most vulnerable in our society has never been greater (Paine and Hill, 2016, as cited in Mitchell & Clark, 2021). Hence, nonprofit organizations (NPOs) must attract new volunteers and funders to provide these services (Exley, 2019, as cited in Mitchell & Clark, 2021).

For many charitable organizations, fundraising is essential to their overall financial strategies. Because they rely on fundraising and philanthropy, nonprofits are more affected by the economy than for-profits (Van Steenburg et al., 2022). However, audits of an organization's internal controls provide information regarding the likelihood that the organization is not effectively carrying out the activities related to its mission and the responsibilities it has as a fiduciary (Petrovits et al., 2011). Franklin et al. (2019) argue that internal control is just as crucial for NPO organizations as for for-profit businesses. Effective internal control for a nonprofit and a significant competitive advantage in its service is necessary. Bray (2010) says that the NPO educates donors about the value of giving and helps them develop a habit of giving, creating the framework for future gifts that will be larger and more frequent (as cited in Sontag-Padilla et al., 2012).

A strong internal control leading to transparency, efficiency, and efficacy will give the nonprofit organization a trustworthy reputation. Such a reputation will

encourage the public to continue supporting the cause and its mission. The NPOs still need to convince their donors of their management's transparency, efficiency, and effectiveness by providing “reasonable assurance regarding the achievement of objectives relating to operations, reporting, and compliance” (The Committee of Sponsoring Organizations of the Treadway Commission, 2013, p. 2).

Weak Internal Control: Impact on Organizations and Stakeholders

Now that the significance of internal control and the impact of its existence have been recognized, weaknesses will be explored. First, deficient internal control has an impact on the company’s resources. Kinney (2000) stated that internal control quality breaches substantially affect the entity’s resources (cited in Rubino & Vitolla, 2014). Doyle et al. (2007) discovered that internal control flaws result in the overall quality decline of accruals. Consequently, poor accruals quality increases cash flow risk and, by extension, business risk and audit risk (Cho et al., 2017). In other words, when internal control is inadequate, managers, employees, or both are highly tempted to exploit the company’s resources for their own personal gain rather than the company’s.

Second, alleged inadequate internal control affects a company’s stock price, lowering investors’ desire to participate. Gordon and Wilford (2012) found that reporting material weakness for several years without remedy negatively impacts the cost of equity (cited in Rubino & Vitolla, 2014). This circumstance will undoubtedly impede the company’s expansion capacity and market competitiveness. Therefore, excellent internal control is a competitive advantage for a firm.

Lastly, a perceived poor internal control environment can hurt a nonprofit organization's reputation, resulting in fewer donors and public donations to the cause.

Petrovits et al. (2011) found that organizations that revealed financial reporting due to internal control problems received fewer donations the following year. Credibility and public opinion are vital for nonprofits as donors seek assurances that their contributions are well-managed and used as intended rather than being embezzled due to the organization's poor internal controls.

This part highlighted how detrimental a lack of internal control could be to the present and future of a corporation. Furthermore, now that the significance and influence of internal controls have been discussed, who are the actors that have control over this situation?

Internal Control: Management and Staff Study in an NPO

Researchers have studied that only an effective internal control system in the enterprise can assist in objectively assessing the potential development and trends of enterprise performance, as well as detecting and eliminating threats and risks promptly, and maintaining a specific fixed level of risk, thereby providing reasonable security (Lakis & Giriūnas 2012). Knowing the role of actors in internal control is critical to its effectiveness, which is what this section is then covering. This section discusses two key participants: (1) Management and (2) staff.

Management

Management is the entrusted leadership driving the firm in the direction it promised the investors to go. In the context of this research paper, management refers more specifically to the executive committee (EXCOM), administrative board (ADCOM), or the organization of elected Officers (Officers).

EXCOM: "The executive committee of each division shall function on behalf of the General Conference Executive Committee in the division, and its authority shall be recognized by union and local organizations in matters of division administration and counsel" (General Conference of Seventh-day Adventists, 2021, p. 86). In this paper, since the selected organization in SID includes the Division and the Unions, EXCOM includes the Division's executive committee and the union(s) mandated to guide the entity in its mission and administration in its given territory. It meets biannually to review the strategic plan and its execution for the concerned organization.

ADCOM: ADCOM meets regularly (every month) to review the management and its execution for the concerned organization.

Officers: Based on five years, officers are elected/appointed leaders of the entity, working with their EXCOM through the ADCOM to oversee and advance the work in their respective entity. They are generally the president, executive secretary, and treasurer, including their associates, supervisors, and senior officers, who substantially impact the decision-making in their sphere of influence.

As the groundwork for defining management has been laid, let us now discuss its roles. It plays two significant roles for internal control to be effective: (1) the design and (2) the application.

Based on the definition above, the primary role of management is to design and establish a control environment. The first component of internal control plays a vital role in the foundation of the company's environment: the control environment (Graham, 2015). Management is the primary player in this foundational component as it sets the tone at the top, establishes the standards of conduct, and assesses adherence to standards of conduct. It promptly addresses deviations (The Committee of Sponsoring Organizations of the Treadway Commission, 2013).

The secondary role of management is to set the tone in the company. An efficient internal control system depends on the tone at the top (Franklin et al., 2019). Through attitude and example, the leaders set the standard. Management also entails a focus on integrity, a dedication to detecting discrepancies, diligence in building operational systems, and the assignment of tasks (Internal Control Plan, Procurement & Finance Policies and Procedures - Southern Africa Indian Ocean Division - SID, n.d.).

The role of management is confirmed by the Apostle Peter, in the Bible, "not domineering over those in your charge, but being examples to the flock." (The Holy Bible, English Standard Version. ESV, 2016, v. 1 Pet. 5:3) Management is then the guarantor of the effectiveness of internal controls if they do what they say. If leadership says what they do, the rest of the organization will be compelled to follow their example and conform to the standard they establish.

COSO states in their second revision of the internal control framework that the expectations for governance oversight have increased (The Committee of Sponsoring Organizations of the Treadway Commission, 2013). In other words, when comparing the company to a train on the same rail, the wagons (the staff) will never be able to get ahead of the locomotive (Management). Since the role of management is now

understood, what is the place that the staff, the non-management employees, hold in internal control?

Staff

The staff (employees) are the human resources and workforce in the hand of the organization to convert its strategy and vision into a reality. Internal control is partially the responsibility of each individual (Sampson, n.d.). The staff has four prominent essential roles to play for internal control to happen: (1) To perform, (2) to develop, (3) to be equipped, and (4) to report.

The staff's primary responsibility in internal control is to perform management-directed internal control activities. (Internal Control Plan, Procurement & Finance Policies and Procedures - Southern Africa Indian Ocean Division - SID, n.d.). The staff carries out an internal control plan in pure and straightforward terms. If internal control is the rail guiding the train in its direction by the locomotive, which is management, then the Staff is the wagon that the company uses to produce goods and services. The role of the staff is to carry out the tasks and functions outlined in their job description.

The secondary role of staff is to develop and improve the current internal control activities. They should be able to contribute to creating and revising the organization’s code of conduct to ensure that it is relevant, transparent, and fair (Graham, 2015). Management should give the staff, those who are in contact with customers and the product/service daily, the opportunity to share their feedback to improve the organization’s internal control process. People are eager to support and preserve something they have contributed to its development.

The third prominent role is to keep themselves trained and skilled for their role and tasks. This role will allow them to have self-efficacy, defined as "beliefs in one's capabilities to organize and execute the courses of action required to manage prospective situations" (Bandura, 1995, cited in Stocks & Slater, 2016, p. 97). In addition, from the perspective of risk management, auditing, and governance, training serves as the basis for numerous important activities and an essential control. Practical training will aid in the improvement of internal controls, the enhancement of the control environment, the management of risk, and the achievement of organizational objectives (Harb, n.d.). Therefore, trained staff are not only aware of how to serve the company's purpose better but also of the risks surrounding their duties and, with people of a good conscience, will likely minimize or prevent risks, or do both.

The fourth important role of the staff is to alert management (or the board of directors if management is involved) for suspected errors, irregularities, or both (Internal Control Plan, Procurement & Finance Policies and Procedures - Southern Africa Indian Ocean Division - SID, n.d.). The whistleblower mechanism may reduce asset losses and expose corruption, misappropriation of assets, and financial fraud within the organization (Anita et al., 2020). Internal or external whistleblowing can be categorized. In internal whistleblowing (IW), employees report unethical behavior to administrative authorities, whereas in external whistleblowing (EW), employees report unethical behavior to an outside agency, such as the media or law enforcement agencies. (Caillier, 2015; Liu et al., 2015; Park et al., 2014, as cited in Anita et al., 2020).

In summary, this section related to the leading players in internal controls. No matter how powerful and advanced the locomotive (management) is, without the wagons (staff), their power and strength are uselessly wasted. Furthermore, no matter

how developed the locomotive and wagons are, they might run without the rail (internal control) but will never reach their potential and would waste valuable resources.

However, theories are just perceiving tendencies of human behavior, whereas the attitude of a manager or staff member is determined by their conviction, which makes this statement by White (1903) pertinent:

> The greatest want of the world is the want of men—men who will not be bought or sold, men who in their inmost souls are true and honest men who do not fear to call sin by its proper name, men whose conscience is as true to duty as the needle to the pole, men who will stand for the right though the heavens fall.
> But such a character is not the result of accident; it is not due to special favors or endowments of Providence. A noble character is the result of self-discipline, of the subjection of the lower to the higher nature—the surrender of self for the service of love to God and man. (p. 57)

Exploring the Five Components of COSO's Internal Control Framework

When internal control is addressed, it becomes undeniable not to recognize the five components developed in the framework of COSO since 1992, which have remained the same since then. Rubino & Vitolla (2014) stated that those components equip managers and auditors with the tools they need to identify and evaluate internal control flaws, as stated by all management systems, including the accounting system, which is connected through the internal control system. Additionally, those five components are interdependent; the system will not function properly if one lacks them. It is impossible to compensate for one component's absence by excelling in another (Seventh-day Adventist Accounting Manual, 2nd Edition, Revised Draft, 2022). The five elements of an internal control system are (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5)

monitoring activities (The Committee of Sponsoring Organizations of the Treadway Commission, 2013). The following part discusses them one by one:

Control Environment

According to Graham (2015), the control environment is the central tenet of the entity and the fundamental building block of the complete internal control system. He established five guiding principles contributing to an effective control environment: (1) a dedication to morality and ethics; (2) the attitude of the top management; (3) attaining goals through organizational structure, reporting channel, and responsibility and authority distribution; (4) recruitment, development, and retention of goal-aligned talented personnel; and (5) accountability toward internal control duties.

This component is so dominant that it can influence all other components of the organization's internal control throughout the decision-making and production processes and their audit results. D'Aquila (1998) found that a leadership style that encourages ethical decision-making is of paramount importance and can even influence financial reports decisions. The Seventh-day Adventist Accounting Manual, 2nd Edition, Revised Draft (2022) argues that having a dozen control activities is useless if the control environment is poor. O'Leary et al. (2006) even found that auditors deem the control environment as the most essential component of internal control.

Graham (2015) came to the extent of saying that an ineffective control environment nullifies lower-level controls. In other words, the control environment can be compared to the foundation of a house or vehicle chassis. No matter how expensive or beautiful its exterior is, without a proper foundation, a house will

eventually fail, endangering its users or even causing collateral damage that will affect the innocent.

Risk Assessment

Risk is inherent in every business model and operation, but some are riskier than others. “Importantly, risk is not necessarily a bad thing; in fact, risk-taking is an essential component of a competitive economy” (Carey & Turnbull, 2000, p. 1). Graham (2015) defines risk as anything that could prevent the objective from being attained. He measures risk toward its likelihood (occurrence of a falsehood) and potential magnitude (significance of an error). He continues that risks with a low likelihood and magnitude require fewer controls than those with a greater likelihood or magnitude. When the likelihood and magnitude are high, the issue should be prioritized. Spira and Page (2003) argued that managing organizational risk is to diffuse comfort and accountability and confer immunity from blame but not from consequence. The Seventh-day Adventist Accounting Manual, 2nd Edition, Revised Draft (2022) defines risk as threats to targets and management systems that leadership must identify. It continues that once identified, the control activities, which is the next component’s role is to address them.

The organization, in its internal control, has to be proactive in identifying those risks and threads, whether they are controllable or not, for them to be able to develop preventative measures to mitigate negative occurrences. This step aims to identify all potential threats to business operations, such as lawsuits, theft, technology breaches, economic downturns, and even a Category 5 hurricane (Smith & Merritt, 2002). An organization well-prepared for all potential risks would have a competitive advantage and more extraordinary survival ability.

Control Activities

Control activities are processes and regulations that aid in implementing management guidelines after the identified risks. Control activities exist at every entity level, at multiple stages, and throughout the technology environment (Wali & Masmoudi, 2020). The Seventh-day Adventist Accounting Manual, 2nd Edition, Revised Draft (2022) defines control activities as internal control measures that prevent danger and protect against losses caused by management system failures, such as accounting system failures. They are classified into three major categories: (1) preventive controls, (2) detective controls, and (3) corrective controls.

(1) Preventive controls: Preventive controls are in place to prevent an unfavorable situation. They consists of (1a) segregation of duties, (1b) access control, and (1c) pre-employment screening.

(1a) Segregation of duties: The Internal Control Plan, Procurement & Finance Policies and Procedures - Southern Africa Indian Ocean Division - SID (n.d.) ensures that this control shall prevent anyone from being allowed to have complete authority over the entirety of the process of a transaction, and also, for employees to have separated functional responsibilities in order to identify errors, whether intentional or not. According to Sampson (n.d.), this process consists of approvals, authorizations, and verifications, essential components of effective internal control, lowering the likelihood of incorrect and in-appropriate actions being taken.

(1b) Access control: This control is typically the most effective method for protecting from unauthorized access the acquisition, use, and disposal of liquid assets, assets with alternative uses, risky assets, vital documents, critical systems, and confidential information (Sampson, n.d.).

(1c) Pre-employment screening: This control is about employers checking candidates' backgrounds before investing in the onboarding process. Brody (2010) suggests that organizations use screening techniques to detect fraud-vulnerable employees (as cited in Nawawi & Salin, 2018).

As it is always said, prevention is better than cure. However, what if prevention is more expensive to implement than detecting errors or fraud ?

(2) Detective controls: Detective controls are in place to detect errors, mistakes, or issues after they occur; ideally, they are discovered before they have a significant impact. It consists of (2a) reconciliations, (2b) reviews of performance, and (2c) security of assets.

(2a) Reconciliations: It is about comparing internal record keeping with external record keeping (Seventh-day Adventist Accounting Manual, 2nd Edition, Revised Draft, 2022). This control is incomplete if an irregularity has been detected, as it must be followed if the corrective control is to investigate the cause of the discrepancy, document the findings, and implement measures to correct the discrepancy. This may include adjusting journal entries, updating financial records, and enhancing internal controls to prevent future occurrences.

(2b) Review of performance: This is about management comparing current performance to budgets, forecasts, or other benchmarks to measure goals and objectives and identify unexpected outcomes or unusual circumstances (Sampson, n.d.).

Detective controls also consist of application controls, ensuring manual and automated records' accuracy, integrity, reliability, and confidentiality (ISACA, 2009, as cited in Rubino & Vitolla, 2014).

(2c) Security of assets: Physical inventory values directly impact the statement of financial position, so they must be accurately reflected. This control shall occur

regularly, and discrepancies discovered during the inventory process will be investigated and followed by the appropriate corrective measures to be taken (Internal Control Plan, Procurement & Finance Policies and Procedures - Southern Africa Indian Ocean Division - SID, n.d.).

These controls are just to investigate and test the integrity of data and their accuracy, but in case of irregularities, corrective controls are used.

(3) Corrective controls: Corrective controls are implemented after the internal detective controls find a problem. They consist of (3a) patch management, (3b) new or updated policies and procedures, and (3c) disciplinary actions.

(3a) Patch management: This process involves the systematic notification, identification, deployment, and verification of operating system and application software code revisions. These revisions, known as patches, fix security vulnerabilities and other bugs, and enhance the functionality of existing software. Patch management is a critical aspect of maintaining the security and operational efficiency of an organization's IT infrastructure (Dissanayake et al., 2022).

(3b) New or updated policies and procedures: The revision of policies and procedures is a proactive approach to address identified gaps in organizational processes. These revisions are often accompanied by updated training and work instructions, enabling the organization to refine its internal controls and adjust to new requirements as part of a continuous improvement process (Zhu & Pinedo, 2020).

(3c) Disciplinary actions: When violations of policies or standards are detected, organizations must be prepared to take appropriate disciplinary measures. These actions could range from verbal warnings to termination, depending on the severity of the infraction. Consistent application of disciplinary procedures reinforces

the importance of compliance and the consequences of non-adherence within the organization (Lartey et al., 2020).

Sometimes detecting is cheaper than preventing—moreover, preventive controls aid in preventing accounting inaccuracies. Designing and implementing adequate preventive controls at each processing step can be costly. Occasionally, it is less expensive to design and implement detective controls (Graham, 2015).

A combination of preventive and detective controls is ideal. It is necessary to remark that a combination of preventive and detective controls is frequently more effective than using just one type of control, according to COSO, which has always distinguished between them (Graham, 2015).

Information and Communication

The fourth component of internal control is information and communication. Information is necessary for any entity to carry out its internal control obligations and support accomplishing the financial reporting objective (Rubino & Vitolla, 2014).

Graham (2015) believes that information collection, processing, and delivery, internally and externally, are significant, but everything should be done at the right time. According to Sampson (n.d.), information regarding an organization's plans, control environment, risks, control activities, and performance must be disseminated horizontally and vertically.

Nevertheless, the quantity of information is also crucial because both an abundance and a lack of information can be harmful. Graham (2015) talks about another strategy using data to obscure rather than enlighten decisions through information flooding, making relevant information a needle in the haystack. If this is

not controlled correctly, this could be a security risk or even open the door to fraudulent activity.

Nevertheless, in the modern era, talking about information and communication without referring to an information system (IS) is unthinkable. It plays a crucial role in information systems to ensure the relevance, dependability, and quality of the data when it comes to information that is linked to the internal control system (Chan, 2000; Weill and Ross, 2004; Haislip et al., 2015 cited in Rubino et al., 2017). The primary goal of the information system is to gather, process, and send information in order to satisfy the information needs of the company's workforce (Rubino et al., 2017). Any business that seizes this opportunity and optimizes its information technology (IT) structure, software, and training to enhance its internal control will enjoy a competitive advantage.

Monitoring Activities

Finally, efforts and investments not followed up on and maintained are doomed to fail. The fifth component of internal control is monitoring activities. It is a procedure conducted by the entity that evaluates and monitors the quality of internal control performance over time; it entails performing timely and periodic evaluations of the design and operation of controls and taking corrective action as required (Graham, 2015). Its objective is to ascertain whether internal control has been designed, implemented, and is effective (Sampson, n.d.).

The success of monitoring activities lies on two principles: (1) select, develop, and perform ongoing and separate evaluations, and (2) evaluate and communicate deficiencies as appropriate:

(1) Select, develop, and perform ongoing and separate evaluations: This principle evaluates the presence and functionality of internal control components. In addition, it is necessary to have a reliable benchmark or a dashboard to instantly inform the management about the organization's situation (Graham, 2015).

(2) Evaluate and communicate deficiencies as appropriate: This principle is about preparing and communicating reports to senior management or the board of directors for corrective actions. In addition, it includes implementing a system allowing for reporting internal control deficiencies and taking appropriate action (Graham, 2015).

Having laid the groundwork with the five components, what about nonprofit organizations that make this study worthwhile?

Empirical Studies

Internal control is a procedure adopted by an organization to achieve its goals by managing risks and assuring compliance with applicable laws, regulations, and ethical standards. It consists of the rules, procedures, and practices an organization employs to manage its operations, maintain the accuracy and integrity of financial data, and safeguard its assets.

Internal control effectiveness refers to the capability of an organization's internal control system to fulfill its intended goals. A control system is considered effective when it reasonably ensures that the organization meets its operational, financial reporting, and compliance objectives.

Meng (2009) found that management control is vital in ensuring the effectiveness of internal controls in an organization. Similarly, Anggadini (2015) reported that the backing of top management and the implementation of robust

internal controls are crucial for improving the quality of accounting information systems. Additionally, a recent study by Zhang et al. (2022) determined that senior leaders with an academic background can significantly enhance the effectiveness of an organization's internal controls. These studies show that top management plays a critical role in the effectiveness of internal controls. They are accountable for fostering a culture of integrity and ethical conduct within the organization. In addition, they establish the rules and processes that serve as the foundation of the internal control system. In addition, top management is accountable for ensuring that the internal control system is created and executed effectively and assess its continuous effectiveness. Top management can significantly increase the effectiveness of internal controls inside an organization by actively participating in the internal control process and supporting a robust control environment.

Kewo and Afiah (2017) conducted research and found that internal control systems and internal audits positively impact the quality of financial statements. They also found that these two systems work harmoniously to achieve this result. Similarly, Sujana et al. (2020) conducted research and found a strong correlation between effective internal control systems and good village governance in relation to the quality of village government financial reports. Furthermore, Setiyawati (2013) discovered that the commitment of internal managers to the organization and the proper implementation of internal control systems have a simultaneous and significant impact on the quality of financial reporting. These studies show that an effective internal control system is closely tied to quality financial reporting. In fact, an effective internal control system helps to ensure that financial information is accurate, reliable, and in compliance with relevant laws and regulations, which leads to the production of high-quality financial statements. It helps prevent errors and fraud in

financial reporting and provides assurance that financial transactions are properly authorized, recorded, and reported in the financial statements. Hence, this helps to ensure that the financial statements are a fair and accurate representation of the organization's financial position, performance, and cash flows. In short, an effective internal control system is essential for producing high-quality financial statements and assuring stakeholders that the financial information is reliable.

According to Wang et al. (2011), firms with a higher level of information technology tend to have greater operational efficiency and effectiveness and greater compliance with laws and regulations. Nonetheless, the study discovered that the impact of information technology on the dependability of financial reports was not as substantial as anticipated. Similarly, Li et al. (2012) revealed that firms with IT material flaws in their financial reporting systems had less accurate management projections than those without such issues. According to their findings, IT controls also affect the quality of information the management information system produces. Finally, Moorthy et al. (2011) studied the impact of IT on internal control and found it affects the control environment, risk assessment, control activities, information and communication, and monitoring. They also provided guidelines for evaluating techniques for effective internal auditing and highlighted the positive impact of technology on operational efficiency and decision-making. Furthermore, they emphasized the importance of IT risks and controls management and the auditor's responsibility to ensure that governance-level management understands risks and liabilities.

In summary of the empirical studies, research has shown a correlation between the use of information technology and internal control effectiveness. Automation, data analysis, security, compliance, monitoring, auditing, and information technology can

lead to greater operational efficiency, effectiveness, and compliance with laws and regulations. However, it has also been found that IT controls can affect the quality of information produced by the management information system and the dependability of financial reports. Additionally, IT risks and controls management must be properly managed, and auditors must ensure that governance-level management understands the risks and liabilities associated with IT. Overall, the impact of IT on internal control is significant and should be carefully evaluated and managed to ensure effectiveness.

This chapter described the five components of internal control through the lens of other authors and shows the consistency and coherence of these components. In the literature review however, there is a gap regarding studies on internal control, particularly in Sub-Saharan Africa and within the nonprofit organizations. This study aimed to fill this gap by providing insights into the internal control processes within a subset of SID's organizations. It also focused on assessing the effectiveness of each component as a deficiency if any one of the five components of internal control can weaken the overall system and render it ineffective. Reviewing internal control must be constant and taken as seriously as the life of its stakeholders depends on its integrity.

CHAPTER 3

RESEARCH METHODOLOGY

In this chapter, the approach and methods utilized to accomplish the purpose set forth for the study are described. It covered research design, population, sampling procedure, the instrument for data collection, data collection protocol, method of data analysis, and ethical considerations.

Research Design

For this study, the researcher employed a quantitative descriptive design. This approach was chosen because it allowed the researcher to describe the current status of variables and examine patterns in the data. By using a quantitative descriptive design, the researcher provided a comprehensive overview of the state of internal controls in the selected SID organizations. The ultimate objective of this research was to evaluate the effectiveness of internal control at selected SID organizations.

Population and Sampling

This study focused on fifteen (15) entities within the SID Division: one (01) division, the Southern Africa-Indian Ocean Division; one (01) division institution, the SIDMEDIA; and thirteen (13) unions which are Botswana Union Conference, Indian Ocean Union Conference, Malawi Union Conference, Mozambique Union Mission, North-Eastern Angola Union Mission, Northern Zambia Union Conference, and

Principe Mission, Southern Africa Union Conference, Southern Zambia Union Conference, South West Angola Union, Zimbabwe Central Union Conference, Zimbabwe East Union Conference, and Zimbabwe West Union Conference, and one (01) attached field, Sao Tome. The total population was 136, comprised of officers, associate officers, assistant officers, controllers or chief accountants, internal auditors, accountants, IT or SunPlus Specialists, cashiers, and finance secretaries. Due to the tiny population size, the entire population was utilized for the study, as detailed in Table 1.

Table 1 listed entities and their respective current functions of the employees within those entities. This table was a snapshot of the employees and their roles within the organization and provided insight into the distribution of functions within the entities. It highlighted each employee's specific responsibilities and role in the organization's overall functioning.

Table 1. SID's Officers & Finance Team - December 2022

Organizations	Officers	Associate Officers	Assistant Officers	Controllers/Chief Accountants	Internal Auditors	Accountants	IT/SunPlus Specialists	Cashiers	Finance Secretaries	Total
Entity A	3						2			5
Entity B	3	1	1		1	1	5	1		13
Entity C	3	1					3			7
Entity D	3	1					1	1	1	7
Entity E	4		1	1		1	4	1		12
Entity F	3	1					3		1	8
Entity G	5	1	2	1			4			13
Entity H	6	9	3	1	2	3	8		2	34
Entity I	3						1			4
Entity J	4				1		1	1		7
Entity K	3	1		1		2	3			10
Entity L	3	1		1		1	1	2		9
Entity M	3		1				1			5
Entity N	4					1	3		1	9
Entity O	3		1			1	3		1	9
Grand Total	53	16	9	5	4	10	43	6	6	152

Instrument for Data Collection

This study used an adapted questionnaire to collect data from respondents. The questionnaire was based on The Committee of Sponsoring Organizations of the Treadway Commission (2013) and adapted from the "ICE Control Environment Questionnaire" (n.d.). The questionnaire was structured as follows:

SECTION I: Background information

This part collected demographic information from respondents, including their gender, age range, years of service, educational qualifications, position in the organization, and organization type. The collected data allowed the comprehension of the respondents' backgrounds.

SECTION II: Assessment of Internal Control

A Likert scale, with closed questions, was used to rate the subjects' perception indicating their degree of agreement or disagreement with a statement. Each statement had five positive choices, ranging from 1 (strongly disagree) to 5 (strongly agree). Table 2 showed the verbal interpretation of the results and was used to analyze the findings.

Table 2. Interpretation of the Questionnaire Score

Scale	Response	Mean Interval	Verbal Interpretation
1	Strongly Disagree	1.00 – 1.49	Very low level
2	Disagree	1.50 – 2.49	Low level
3	Neither Agree/Nor Disagree	2.50 – 3.49	Average level
4	Agree	3.50 – 4.49	High level
5	Strongly Agree	4.50 – 5.00	Very high level

Source: Primary data, September 2023

Instrument Validity and Instrument Reliability

The reliability of an instrument pertained to how consistently it could generate reliable and steady outcomes when repeatedly used with the same set of individuals. Conversely, the validity of an instrument referred to how accurately it measured what it was intended to measure and the extent to which the conclusions or judgments made based on the instrument were appropriate and precise (Sekaran & Bougie, 2016). In other words, reliability referred to the consistency of the questionnaire, while validity referred to the extent to which it measured what it was intended to measure.

To ensure the validity and reliability of the questionnaire, it underwent review by three experts well-versed in internal control within the realm of services offered to the SDA Church. All the three experts were external to the Division: one from the General Conference Treasury Control, and the other two were auditors from the General Conference Auditing Service. These professionals were tasked with reviewing the questionnaire for clarity, consistency, and relevance. The decision to involve these experts in the development process offered several advantages:

(1) Enhanced validity was achieved, as the experts' input helped ensure that the questionnaire accurately captured the research objectives, thereby increasing the validity of the study.

(2) Improved reliability was achieved as they aided in identifying and rectifying any ambiguities and biases, ensuring the questionnaire remained clear and coherent, which led to more dependable outcomes.

(3) Increased credibility was achieved as involving experts with extensive experience in the field lent credibility to this research, where they could attest to the questionnaire's relevance and suitability within the context of this study.

(4) Identification of potential gaps was achieved, as the experts' feedback provided valuable insights into any areas that may have been overlooked or under-represented in the questionnaire, contributing to the creation of a more comprehensive and effective tool for the study.

(5) Streamlined questionnaire design was accomplished, as the experts assisted the researcher in refining the questionnaire to ensure it was well-structured, easily comprehensible, and efficient in gathering the necessary information from respondents. This aimed to enhance the response rate and the quality of the data collected.

(6) Finally, time and resource efficiency were achieved by engaging experts during the development phase. This allowed potential issues to be identified and addressed early, saving time and resources that would otherwise have been spent on revisions after initiating the data collection process.

Out of the fifteen questionnaires distributed, thirteen were collected from respondents at the Central Malagasy Conference in Madagascar. The participants included officers, auditors, accountants, inventory managers, cashiers, and finance secretaries. Based on the feedback and recommendations gathered from this pilot group, the questionnaire was refined and adjusted accordingly. This pilot study served as a test of the reliability of the questionnaire.

By conducting a pilot study, potential issues with the design of the questionnaire, wording, and content were identified before distributing them to a larger sample size. This allowed for the testing of the feasibility of the questionnaire and the implementation of necessary modifications or adjustments to enhance its effectiveness. The pilot study ensured that the research questions were adequately addressed and that the collected data were both valid and reliable. Additionally,

feedback from the pilot group contributed to identifying areas that required further clarification or elaboration. In summary, the pilot study confirmed the efficacy of the questionnaire in collecting essential data and the achievement of research objectives.

Cronbach's alpha was utilized to assess the internal consistency and reliability of the survey instrument. A commonly accepted benchmark in research is that an alpha value of 0.7 or higher denotes good reliability, signifying that the items within a scale are consistently capturing the intended construct (George & Mallery, 2003).

Table 3 displayed that across the various dimensions of the study, all variables exhibited Cronbach's alpha values substantially above the 0.7 threshold. This overarching pattern suggested that the survey items were consistently and reliably measuring their respective constructs, reinforcing the dependability of the instrument. This high degree of internal consistency was indicative of the robustness of the survey, underscoring the credibility of the subsequent findings and interpretations drawn from the data.

In essence, the observed tendency across all variables pointed towards a strong and cohesive measurement framework employed in the study, paving the way for reliable and valid conclusions.

Table 3. Cronbach's Alpha

Variables	Cronbach's Alpha	Number of Items
Control environment	0.905	11
Risk Assessment	0.913	6
Control Activities	0.787	5
Information & Communication	0.920	7
Monitoring Activities	0.897	4
Frequency of Control Activities	0.933	13

Source: Primary data, September 2023

Data Collection Procedure

Clearance was obtained from the SID ADCOM (vote 22-727 on November 10, 2022) to undertake the study through the selected organizations of SID. Following the approval of the School of Postgraduate Studies at the Adventist University of Africa for the study proposal, permission was sought to conduct the research with all the selected organizations in SID based on the prior ADCOM vote.

A consent form with the questionnaires was distributed to the respondents via their submitted work email addresses. After completing the survey, they returned it privately via email to secure the collected data that remained private on a password-protected computer, waiting to be processed. The respondents were given two (02) weeks to fill out and return the questionnaires via their email.

Method of Data Analysis

The data for this study were evaluated using a combination of descriptive statistics. For data analysis, the statistical software IBM SPSS 29 was used:

(1) Data preparation: The first step involved coding and data entry, where the data were prepared for analysis, they were cleaned and reviewed for accuracy before being designed for analysis.

(2) Descriptive statistics: Demographic data in section I were analyzed using descriptive statistics, including mean, mode, and standard deviation, to assess the distribution and overall characteristics of the demographic data.

Ethical Considerations

To ensure the protection of the university, the Seventh-day Adventist Ministry, the respondents, and ethical standards, several ethical considerations were taken into account in this research. First, the SID ADCOM approved the study across its territory. This approval facilitated correspondence with all the Union treasurers in the SID territory, who were willing to provide a detailed list of the finance employees. The support of the Union treasurers was key to the success of the study.

Second, prior to completing the questionnaire, every respondent was required to accept and sign a consent form, granting their willing permission for the researcher to use their data. This consent form outlined how their data would be handled and protected diligently. The questionnaire provided clear instructions to respondents throughout each section on how to respond. As the questionnaire was anonymous, respondents were not obligated to provide their names. Each participant had the option to join the study or withdraw without facing any consequences. The questionnaire was designed as a PDF that could be filled in, allowing for immediate computer-based completion or printing for later completion, ensuring ease and security for participants. Questionnaires submitted via email were securely stored, while printed copies were securely kept in my office locker until they were scheduled for disposal and deletion.

Finally, it is crucial to note that in education, plagiarism is a serious offense. Therefore, all sources have been properly acknowledged and cited throughout this study.

CHAPTER 4

FINDINGS, DISCUSSIONS, AND ACTIONABLE STRATEGIES

The purpose of the study was to assess the effectiveness of internal control mechanisms within selected entities in the SID division, guided by the COSO framework. To achieve this, statistical analyses were conducted, primarily using descriptive statistics. By calculating the mean and standard deviation, a comprehensive profile of each Internal Control component was generated, highlighting their strengths and weaknesses. This evaluation covered the traditional components of internal control defined by the COSO framework and included an examination of the Frequency of Control to understand how regularly these controls were implemented, reviewed, and updated. The findings from these analyses, discussed in this chapter, offer insights into the current state of internal control effectiveness within the SID division and serve as a foundation for potential improvements.

Response Rate

As indicated in Table 4, the study attained an overall response rate of 89.47%, which was good in the context of survey research. According to Dillman et al. (2014), a response rate of 70% or higher was generally considered good, while a response rate of 50% or higher was generally considered acceptable. The study distributed a total of

152 questionnaires to participants occupying diverse roles within the organization, of which 136 were returned and were usable.

Table 4. Response Rate

Questionnaire	Number of questionnaires Distributed	Number of responses Received	Response Rates
Officer	53	44	
Associate Officer	16	15	
Assistant Officer	9	8	
Chief Accountant	5	5	
Auditor	4	4	
SunPlus/IT Specialist	10	9	
Accountant	43	40	
Cashier	6	6	
Financial Secretary	6	5	
Total	152	136	89.47%

Source: Primary data, September 2023

Demographic Characteristics of Respondents

Understanding the demographic profile of the respondents was crucial for interpreting the findings of this study. It provided the context within which the data were collected and added a layer of nuance to the survey results. This section presented demographic characteristics such as age, years of service, education level, and current position in the organization, as well as familiarity with SDA Policies and perceptions of organizational alignment with mission and goals.

Age Distribution of the Respondents

Table 5 presented the age distribution of the respondents. The age distribution of the 136 respondents varied considerably. The largest age group was 41-50 years, accounting for 32.4% of the respondents. This was closely followed by the 51-60 age group (28.7%) and the 31-40 age group (27.9%). The smaller subsets included those aged between 21-30 years (2.9%) and those above 60 (8.1%).

Table 5. Age Distribution

Age Range	Frequency	%
21- 30 years	4	2.9
31- 40 years	38	27.9
41- 50 years	44	32.4
51- 60 years	39	28.7
60 and above	11	8.1
Total	136	100.00

Source: Primary data, September 2023

Years of Service of Respondents

Table 6 presented the distribution of years of service among the respondents. A significant majority (64%) of respondents had been with the organization for extended tenures, with 39.0% having served for 20 years or more, and another 26.5% having served between 15-19 years. This predominance of long-serving employees suggested a deep familiarity with the organizational operations, given their prolonged exposure and experience.

Table 6. Years of Service of Respondent

Years of Service	Frequency	%
1 – 4 years	3	2.2
5 – 9 years	17	12.6
10 – 14 years	26	19.3
15 – 19 years	36	26.7
20 and above	53	39.3
Total	135	100.0

Source: Primary data, September 2023

Education Level of Respondents

Table 7 illustrated the educational attainment of the respondents. Nearly half of the respondents (48.5%) held bachelor's degrees, followed by 29.4% with master's degrees. Doctorates were held by 11.0%, and other forms of education made up 9.6% of the sample. Thus, the respondents appeared to be fairly educated.

Table 7. Academic Achievements of Respondents

Education Level	Frequency	%
Bachelors	66	48.9%
Masters	40	29.6%
Doctorate	15	11.1%
Other	14	10.4%
Total	135	100.0%

Source: Primary data, September 2023

Current Position in the Organization of Respondents

Table 8 depicted the roles held by the respondents within the organization. The study involved a diverse range of positions within the organization. The majority of respondents were Accountants (29.4%) and Officers (32.4%). Other positions, such as

Associate Officers, Assistant Officers, and specialized roles like Chief Accountants and SunPlus/IT Specialists, were also represented, though in smaller numbers.

Table 8. Current Position of Respondents

Position in the Organization	Frequency	%
Officer	44	32.4
Associate Officer	15	11.0
Assistant Officer	8	5.9
Chief Accountant	5	3.7
Auditor	4	2.9
SunPlus/IT Specialist	9	6.6
Accountant	40	29.4
Cashier	6	4.4
Financial Secretary	5	3.7
Total	136	100

Source: Primary data, September 2023

Organization Types of the Respondents

Table 9 portrayed the types of organizations in which the respondents were employed. A majority of respondents (72.1%) were from Union organizations, followed by Division organizations (20.6%). Media and other types of organizations were less represented, making up just 1.5% and 5.9% of the sample, respectively.

Table 9. Organization Types of Respondents

Organization types of Respondents	Frequency	%
Division	28	20.6
Union	98	72.1
Media	2	1.5
Other	8	5.9
Total	136	100

Source: Primary data, September 2023

Respondents' Familiarity with the SDA Policies

Table 10 displayed a high level of familiarity with SDA Policies among the respondents, standing at 93.4%. This aligned with the observation that many respondents held top and middle managerial positions, which typically required a strong understanding of organizational policies.

Table 10. Respondents' Familiarity with the SDA Policies

Respondents' Familiarity with the SDA Policies	Frequency	%
Yes	127	94.8
No	7	5.2
Total	134	100

Source: Primary data, September 2023

Goals and Objectives alignment with SDA Mission and Goals

According to Table 11, 95.6% of respondents believed that the organization's mission and values were aligned with the Seventh-day Adventist Church's mission and goals.

Table 11. Perception of Organizational Alignment with Mission and Goals

Respondents' perception of organizational alignment with mission and goal	Frequency	Valid %
Yes	130	97
No	4	3
Total	134	100

Source: Primary data, September 2023

Management Team Primary Responsible for Internal Controls

Table 12 presented a mixed view. While 33.8% believed the Executive Committee was primarily responsible for internal controls, 25% felt that it was the entire organization's responsibility. Interestingly, a crosstab analysis revealed a divergence in opinions between top administrators and accountants on who should bear this responsibility.

Table 12. Management Team Primary Responsible for Internal Controls

Management Team primary responsible for internal controls	Frequency	Valid %
Executive Committee	46	34.3
Top Administration	31	23.1
Middle Managers	21	15.7
Operational Staff	2	1.5
Entire Organization	34	25.4
Total	134	100

Source: Primary data, September 2023

Analysis of Crosstab on Management Team Responsibilities

The cross-table, as shown in Table 13, provided significant insights into the varying opinions on who should be responsible for internal controls based on the respondents' positions. (1) Fifty-seven percent (57%) of the Officers, who constituted the top management, believed that the Executive Committee should be in charge (26 out of 46 individuals). (2) Forty-four percent (44%) of the accountants, representing the operational staff, appeared to hold a distinct perspective, favoring the idea that the "Entire Organization" should bear responsibility (15 out of 34 individuals). This difference in perception might indicate an underlying issue related to role-specific responsibilities and expectations. For instance, Officers may have preferred a

centralized control system managed by an Executive Committee, whereas Accountants, dealing with day-to-day transactions, may have favored collective responsibility. Understanding these nuances could be crucial for policy formulation, ensuring that differing viewpoints and role-specific requirements were considered.

Table 13. Employee Roles vs Internal Control Crosstab Analysis

Position	In charge					Total
	Executive Committee	Top Administration	Middle Managers	Operational Staff	Entire Organization	
Officer	26	12	2	0	3	43
Associate Officer	2	5	1	0	7	15
Assistant Officer	4	4	0	0	0	8
Chief Accountant	1	2	1	0	1	5
Auditor	4	0	0	0	0	4
SunPlus/IT Specialist	0	0	3	0	5	8
Accountant	7	6	10	2	15	40
Cashier	2	1	1	0	2	6
Financial Secretary	0	1	3	0	1	5
Total	46	31	21	2	34	134

Source: Primary data, September 2023

In this segment, the vital survey outcomes were unveiled as the bedrock of data collection. The discourse therein comprehensively enveloped these findings, intricately juxtaposing them with the research questions expounded in Chapter One.

Findings and Discussions Based on the Research Questions

Research Question 1: To what extent is the control environment of SID's selected organizations effective?

The analysis of the Control Environment within SID-selected organizations revealed a notable adherence to ethical practices and oversight mechanisms, as demonstrated in Table 14. The mean scores across different categories predominantly showed a high level of compliance, with scores ranging from 3.00 to 4.39. Specifically, the strong adherence to a code of conduct and the clear separation of duties were exemplary attributes of a robust control environment. Nevertheless, the mean score of 3.01 for the Performance Evaluation Processes highlighted the need for enhancement to elevate compliance from an average to a high level. However, it is important to note that the standard deviation of 1.10 suggested that this perception was not universally held among all respondents.

The standard deviation values presented a moderate dispersion from the mean, indicating a moderate variability in the application of control environment practices across various entities within the SID division. The smallest dispersion, seen in the clear separation of duties (0.76), suggested a consistent implementation of this control mechanism, hence, indicating a potentially lower level of operational risks associated with overlapping duties and responsibilities.

The overall average mean score of 3.87, interpreted as a high level, reflected a strong foundational control environment contributing significantly to operational effectiveness within these organizations. The findings from this study underscored the commitment of the organizations to creating and maintaining a solid control

environment, which was crucial for an effective internal control system, ultimately aiding in the achievement of organizational objectives.

Table 14. Descriptive Statistics for Control Environment

Control Environment

Categories		Mean	Std. Deviation	Interpretation
Code	**Name**			
Demonstrates commitment to integrity and ethical values (CE.A.1.1 to CE.A.1.3)				
CE.A.1.1	A code of conduct is in place	4.3529	0.82129	High level
CE.A.1.2	Employees follow the code of conduct	4.3897	0.8707	High level
CE.A.1.3	Mechanism for reporting ethical violations	3.5588	1.04538	High level
Exercises oversight responsibility (CE.A.2.1 to CE.A.2.2)				
CE.A.2.1	Clear separation of duties	4.1176	0.76069	High level
CE.A.2.2	Independent oversight procedures	3.8088	0.8904	High level
Establishes Structure, Authority, and Responsibility (CE.A.3.1 to CE.A.3.2)				
CE.A.3.1	Culture supports transparency	3.9926	1.02918	High level
CE.A.3.2	Culture supports accountability	4.0221	0.97727	High level
Demonstrates Commitment to Competence (CE.A.4.1 to CE.A.4.2)				
CE.A.4.1	Employees have necessary qualifications	3.9265	0.86609	High level
CE.A.4.2	Ongoing training and development	3.6544	1.098	High level
Enforces Accountability (CE.A.5.1 to CE.A.5.2)				
CE.A.5.1	Clear communication of roles	3.7721	1.01081	High level
CE.A.5.2	Performance evaluation processes	3.0074	1.14501	Average level
Average Control Environment		**3.8730**	**0.68873**	**High level**

Source: Primary data, September 2023

Research Question 2: To what extent is the risk assessment of SID's selected organizations effective?

The examination of the Risk Assessment practices within the SID-selected organizations unveiled a moderate engagement in risk management activities, as depicted in Table 15. The mean scores across distinct categories primarily indicated an average level of engagement, with scores ranging from 3.00 to 3.54. Specifically, the strong emphasis on the establishment of a risk management plan showcased a proactive approach towards risk mitigation. However, the other scores indicated an

average level of performance when it came to the actual implementation of the plans. Nonetheless, the aspect of training on identifying and reporting potential fraud, with a mean score of 3.00, highlighted an area for improvement to elevate engagement from an average to a high level.

The standard deviation values exhibited a moderate dispersion from the mean, signaling a moderate variability in the application of risk assessment practices across the various entities within the SID division. The smallest dispersion, seen in the controls to mitigate risks associated with changes (0.85), suggested a consistent implementation of this control mechanism, hence, indicating a potentially lower level of operational risks associated with significant organizational changes.

The overall average mean score of 3.26, categorized as an average level, reflected a moderate engagement in risk management activities contributing to operational effectiveness within these organizations. This average-level designation suggested that there was a basic risk assessment framework in place. While it worked adequately, there was still room for improvement, especially concerning training on fraud risks and involving employees more in the risk assessment process. The findings from this study underscored the organizations' initiative in establishing a risk management framework, a crucial component for an effective internal control system, thereby aiding in the achievement of organizational objectives.

Table 15. Descriptive Statistics for Risk Assessment

Categories		Mean	Std. Deviation	Interpretation
Code	**Name**			
Specification of Suitable Objectives (RA.B.6.1 to RA.B.6.2)				
RA.B.6.1	Management establishes a risk management plan	3.5441	0.9339	High level
RA.B.6.2	Involvement of employees in the risk assessment process	3.1471	0.9070	Average level
Identification and Analysis of Risk (RA.B.7.1)				
RA.B.7.1	Procedures for identifying, evaluating, and managing risks	3.3382	0.8626	Average level
Assessment of Fraud Risk (RA.B.8.1)				
RA.B.8.1	Training on identifying and reporting potential fraud	3.0000	0.9813	Average level
Identification and Analysis of Significant Change (RA.B.9.1 to RA.B.9.2)				
RA.B.9.1	Assessment of the impact of organizational changes	3.1838	0.9286	Average level
RA.B.9.2	Controls to mitigate risks associated with changes	3.3529	0.8479	Average level
Average Risk Management		**3.2610**	**0.7611**	**Average level**

Source: Primary data, September 2023

Research Question 3: To what extent are the control activities of SID's selected organizations effective?

The examination of Control Activities within the SID-selected organizations uncovered a pronounced engagement in control measures aimed at safeguarding organizational assets and ensuring operational efficiency, as illustrated in Table 16. The mean scores across the various categories primarily displayed a high level of adherence, with scores ranging from 3.43 to 4.12. Specifically, the rigorous implementation of security measures and the establishment of controls to protect the information systems of the organization and data were emblematic features of a strong control environment. Nevertheless, the category related to Employee Training on Organizational Policies and Procedures, with a mean score of 3.43, suggested room for improvement to elevate adherence from an average to a high level.

The standard deviation values depicted a moderate dispersion from the mean, signifying a moderate variability in the execution of control activities across different units within the SID division. The smallest dispersion, seen in the Management Establishes Controls to Prevent and Detect Errors and Fraud (0.76), implied a consistent implementation of this control measure, hence, indicating a potentially lower level of operational risks associated with errors and fraud.

The overall average mean score of 3.85, categorized as a high level, mirrored a solid foundational control environment substantially contributing to operational effectiveness within these organizations. This high-level designation showcased a well-grounded organizational culture that amplified the effectiveness and efficiency of internal control systems. The findings from this study emphasized the organizations' dedication to constructing and upholding robust control activities, which were vital for an effective internal control system, ultimately propelling towards the attainment of organizational goals.

Table 16. Descriptive Statistics for Control Activities

Categories		**Mean**	**Std. Deviation**	**Interpretation**
Code	**Name**			
Management's Establishment of Controls (CA.C.10.1)				
CA.C.10.1	Management controls to prevent errors and fraud.	3.8382	0.76226	High level
Protection of Organization's Information Systems and Data (CA.C.11.1 to CA.C.11.2)				
CA.C.11.1	Management safeguards organization's data and systems.	4.0956	0.80626	High level
CA.C.11.2	Implementation of security measures secures data and systems.	4.1176	0.78936	High level
Operational Policies and Procedures (CA.C.12.1 to CA.C.12.2)				
CA.C.12.1	Well-defined policies and procedures across all operations	3.7647	0.89637	High level
CA.C.12.2	Employee training on organizational policies and procedures.	3.4338	0.97906	Average level
	Average Control Activities	**3.8500**	**0.6887**	**High level**

Source: Primary data, September 2023

Research Question 4: To what extent are the information and communication of SID's selected organizations effective?

The analysis of Information and Communication within the selected organizations in SID unveiled a significant emphasis on establishing robust channels for both internal and external communication, as well as managing relevant information, as demonstrated in Table 17. The mean scores across different categories predominantly indicated a high level of effectiveness, with scores ranging from 3.74 to 3.91. Specifically, the strong infrastructure ensuring the security and accessibility of information and the clear lines of communication between different organizational levels were indicative of a well-organized Information and Communication environment.

The standard deviation values exhibited a moderate dispersion from the mean, suggesting a moderate variability in the application of Information and Communication practices across various entities within the SID division. The smallest dispersion, seen in the Security of information systems (0.75), suggested a consistent implementation of this control mechanism, hence, indicating a potentially lower level of operational risks associated with information mishandling or misuse.

The overall average mean score of 3.83, categorized as a high level, mirrored a strong foundational Information and Communication environment contributing significantly to operational effectiveness within these organizations. The findings from this study accentuated the dedication levels of the organization to creating and maintaining a robust Information and Communication environment, which was pivotal for an effective internal control system, ultimately facilitating the achievement of organizational objectives.

Table 17. Descriptive Statistics for Information and Communication

Categories		Mean	Std. Deviation	Interpretation
Code	**Name**			
Utilization of Relevant Information (IC.D.13.1 to IC.D.13.3)				
IC.D.13.1	Provision of accurate and timely information	3.8015	0.90119	High level
IC.D.13.2	Accessibility of information system	3.8015	0.84169	High level
IC.D.13.3	Security of information system	3.9118	0.74506	High level
Internal Communication (IC.D.14.1 to IC.D.14.2)				
IC.D.14.1	Clear communication lines between staff and management	3.8309	0.95495	High level
IC.D.14.2	Encouragement of open communication and feedback	3.8162	1.02706	High level
External Communication (IC.D.15.1 to IC.D.15.2)				
IC.D.15.1	Policy on communication with external parties	3.875	0.93838	High level
IC.D.15.2	Verification of information accuracy before external communication	3.7426	0.88608	High level
Average Information & Communication		**3.8256**	**0.74214**	**High level**

Source: Primary data, September 2023

Research Question 5: To what extent are the monitoring activities of SID's selected organizations effective?

The analysis of Monitoring Activities within SID-selected organizations, as illustrated in Table 18, unveiled a moderate commitment to conducting ongoing evaluations and communicating control deficiencies. The mean scores across different categories primarily displayed an average to a high level of engagement, with scores ranging from 3.34 to 3.58. Specifically, the active involvement of the management team in identifying and addressing internal control deficiencies, with a mean score of 3.58, stood as a commendable attribute promoting effective monitoring activities. Conversely, the aspect of having a dedicated monitoring team, with a mean score of 3.34, pinpointed an area for improvement to transition from an average to a high level of engagement. Additionally, the mean score of 3.50 in ensuring that identified deficiencies in internal controls were communicated promptly to relevant personnel

and management reflected a balanced approach yet indicated room for enhancement to achieve a high level of compliance.

The standard deviation values exhibited a moderate dispersion from the mean, indicating a moderate variability in the implementation of monitoring practices across various entities within the SID division. The smallest dispersion, seen in the process of identifying and addressing control deficiencies (0.83), suggested a more consistent implementation of this monitoring activity, thus, indicating a potentially lower level of operational risks associated with unrecognized control deficiencies.

The overall average mean score of 3.49, categorized as an average level, reflected a moderate degree of monitoring activities contributing to operational effectiveness within these organizations. This average-level designation suggested a satisfactory organizational response towards monitoring and evaluation, which was integral for the overall effectiveness and efficiency of the internal control systems. The findings from this study emphasized the organizations' endeavor in instating and maintaining a monitoring mechanism, which was essential for a robust internal control system, ultimately supporting the attainment of organizational objectives.

Table 18. Descriptive Statistics for Monitoring Activities

Categories		**Mean**	**Std. Deviation**	**Interpretation**
Code	**Name**			
Conducts ongoing and/or separate evaluations (MA.E.16.1 to MA.E.16.2)				
MA.E.16.1	Identifying and Addressing Control Deficiencies	3.5515	0.83284	High level
MA.E.16.2	Dedicated Monitoring Team	3.3382	1.05564	Average level
Evaluate and communicates deficiencies (MA.E.17.1 to MA.E.17.2)				
MA.E.17.1	Prompt Communication of Deficiencies	3.5000	0.88611	Average level
MA.E.17.2	Management Involvement in Addressing Deficiencies	3.5809	0.94716	High level
Average Monitoring Activities		**3.4927**	**0.81646**	**Average level**

Source: Primary data, September 2023

Research Question 6: To what extent is the frequency of control of SID's selected organizations effective?

The investigation of the Frequency of Control within SID-selected organizations, as encapsulated in Table 19, underscored the current standing of internal control practices juxtaposed against the rigorous standards outlined in the COSO framework, as mentioned earlier. The table was partitioned into four subcategories: General Review and Update Practices, Audit and Internal Control Practices, Communication and Technology Practices, and Risk Management Practices. This division aimed to provide a detailed comprehension of each aspect related to the frequency of control. The subsequent analysis broke down the Mean scores, Standard Deviation, and Interpretation across these subcategories and integrated these findings with the principles of the COSO framework.

General Review and Update Practices

The mean scores within this subcategory signified an "Average level" of control practices with a slight edge on Organizational Goal Reviews (3.17). However, when aligned with COSO's framework, the adherence to vital review and update practices was less than satisfactory, calling for enhanced engagement in regular reviews and updates to keep pace with the dynamic organizational and industry landscapes.

Audit and Internal Control Practices

A pronounced discrepancy was observed in the domain of Internal Audit Regularity, registering a "Low level" with a mean score of 2.44. The other areas exhibited an "Average level" of control practices. The mean scores of this subcategory underscored the necessity for a fortified audit and internal control system

to ensure adherence to and the effectiveness of internal controls, aligned with COSO's urging for a robust internal control infrastructure to mitigate risks and ensure compliance.

Communication and Technology Practices

The scoring in this domain again depicted an "Average level" of control practices. The link between effective communication, technology control reviews, and operational effectiveness was well-argued within COSO's framework. The existing scores signaled for a more robust engagement in reviewing and upgrading communication and technology controls to promote operational efficiencies and risk mitigation.

Risk Management Practices

This subcategory also exhibited an "Average level" of control practices. The essence of a well-documented and regularly reviewed risk management plan, as propounded by COSO, seemed to be moderately acknowledged within the organizations. Escalating the frequency and thoroughness of risk management plan reviews and policy and procedure reviews could significantly align the practices with the COSO framework's standards.

The overall average mean score of 2.78 in Frequency of Control, categorized as an "Average level," suggested potential weaknesses in the regularity and consistency of control activities. This average level of adherence did not align itself with the robust and proactive control environment emphasized by the COSO framework. Regularity was indeed essential for both control and monitoring activities. Furthermore, the standard deviation of 0.93 indicated a moderate dispersion from the mean, highlighting variability in the application of these practices. This variability

underscored the need for greater consistency and regularity across all domains to reinforce the effectiveness of internal controls.

Table 19. Descriptive Statistics for Frequency of Control

Categories		Mean	Std. Deviation	Interpretation
Code	**Name**			
General Review and Update Practices (F1, F4, F5)				
F1	Code of Conduct Reviews	3.0000	1.41948	Average level
F4	Job Description Reviews	2.9407	1.34255	Average level
F5	Organizational Goal Reviews	3.1716	1.34626	Average level
Audit and Internal Control Practices (F2, F3, F7, F12, F13)				
F2	Internal Audit Regularity	2.4444	1.27353	Low level
F3	Internal Control Review	2.6269	1.1482	Average level
F7	Control Effectiveness Reviews	2.7985	1.16193	Average level
F12	Internal Control Effectiveness Evaluation	2.7388	1.18847	Average level
F13	Internal Control Updates	2.7164	1.15434	Average level
Communication and Technology Practices (F10, F11, F8)				
F10	Internal Communication Evaluation	2.6791	1.21148	Average level
F11	External Communication Procedure Review	2.7090	1.24348	Average level
F8	Technology Control Reviews	2.7630	1.1983	Average level
Risk Management Practices (F6, F9)				
F6	Risk Management Plan Reviews	2.7015	1.22032	Average level
F9	Policy and Procedure Reviews	3.0149	1.21386	Average level
Average Monitoring Activities		**2.7835**	**0.9336**	**Average level**

Source: Primary data, September 2023

Formulating Actionable Strategies to Strengthen Identified Weak Areas

The Committee of Sponsoring Organizations of the Treadway Commission (COSO) defined an integrated framework that encompassed key elements of the internal control environment of an organization. One of the primary tenets of the COSO framework revolved around identifying weak areas within the control environment of an organization and subsequently developing and implementing robust strategies to strengthen these areas. In the context of SID-selected organizations, certain areas of potential vulnerability were identified, as addressed

earlier, necessitating the development of a comprehensive strategic action plan. The following table (Table 20) encapsulated the actionable strategies designed to bolster the weak areas within SID. Drawing from the core principles of the COSO framework (2013), these strategies revolved around five key components: control environment, risk assessment, control activities, information and communication, and monitoring activities. Each strategic initiative was methodically tailored to address specific objectives, targeting specific groups within the organization. Additionally, for the successful realization of these objectives, responsibility was assigned to particular personnel, accompanied by a detailed implementation plan and corresponding Key Performance Indicators (KPIs) to measure progress and effectiveness.

Table 20. Actionable Strategies to Strengthen Identified Weak Areas

COSO Component	Objectives	Strategies	Target Group	Personnel Responsible	Implementation Plan	KPIs
Control Environment	(1). Adoption of a mechanism for reporting ethical violations for the whole Division territory	To reinforce a mechanism for reporting ethical violations for all the Division's entities	Internal Audit and HR department heads	Internal Auditor and HR Director	Quarterly report of ethical breaches and how they were dealt with	Submission of a report by each entity per quarter
	(2). Enhancing organizational processes through an effective performance evaluation process	Using a effective performance evaluation process, launch a comprehensive training and development program	All employees	HR Department	Workshops and training sessions focusing on sharpening the skills of the teams based on a feedback mechanism of their performance	Yearly training and development program for each entity
Risk Assessment	(3). To foster rigorous risk management practices	Deploy a comprehensive risk assessment and management framework	Risk management teams	Risk Officer and Risk Management Committee	Quarterly risk assessment exercises and immediate formulation of risk mitigation strategies	Identification and mitigation of 25 new risks annually

(table continues)

Table 21 (continued). Actionable Strategies to Strengthen Identified Weak Areas

	(4). To enhance employee capability in fraud detection and reporting	Intensify training on identifying and reporting potential fraud	All employees	Risk Officer and HR Training Lead	Bi-monthly workshops and e-learning modules focused on fraud detection techniques and reporting mechanisms	25% improvement in fraud detection and reporting efficacy
Control Activities	(5). To bolster the review and updating of internal controls	Implement a dynamic control update mechanism	Managers and Supervisors	Compliance Officer (Internal Auditor) and Management Team	Bi-monthly review meetings and timely updates to control mechanisms	Evidence of 6 control review reports annually
	(6). To elevate the consistency and frequency of internal audit reviews	Strengthen internal audit schedules	Internal audit teams	Internal Auditor and Audit Committee	Quarterly internal audits and random spot checks	15% increase in audit reports annually

(table continues)

Table 22 (continued). Actionable Strategies to Strengthen Identified Weak Areas

	(7). To enhance the frequency and consistency of control activities across various practices	Introduce a bi-monthly review and feedback mechanism	Relevant teams associated with each control category	Control and Audit Lead, IT Director, Communication Head, Risk Management Officer	Bi-monthly review cycle where each practice is evaluated for its frequency, effectiveness, and relevance. Collect feedback, identify gaps, and make necessary amendments in processes	20% increase in the overall frequency index score by the end of the year
Information & Communication	(8). To improve technology utilization and understanding within the organization	Intensify IT training and collaboration with IT experts	All employees	Chief Information Officer and IT Training Lead	Quarterly technology training sessions complemented by smaller monthly community-led workshops	40% increase in employees scoring proficient or above in post-training tech assessments
Monitoring Activities	(9). To boost the regularity and efficacy of policy and procedure reviews	Institute a dedicated policy review committee	Policy and compliance teams	Compliance Officer (Internal Auditor) and Policy Review Committee	Quarterly committee meetings to review, update, and communicate changes in policies and procedures	Introduction or revision of 12 policies annually

(table continues)

Table 23 (continued). Actionable Strategies to Strengthen Identified Weak Areas

	(10). To measure the overall effectiveness of internal control mechanisms	Develop a Control Effectiveness Index	Internal audit, risk, and compliance teams	Compliance Officer (Internal Auditor) and Chief Audit Executive	Analyze factors like incident reduction, response time, and update compliance, and combine them to compute the index	Achieve an index score of 90% or above, indicating high control effectiveness
Frequency Control	(11). Regularize the frequency of job description reviews	Develop a structured and consistent job description review cycle	HR and department heads	HR Director and Department Supervisors	Implement bi-monthly job description review sessions	Alignment of 98% job roles with organizational goals by year-end
	(12). Improve internal audit regularity and consistency	Design and implement a streamlined internal audit schedule	Internal audit teams	Internal Auditor and Audit Committee	Schedule monthly internal audits and provide detailed feedback reports	20% increase in the number of timely audits conducted annually
	(13). Strengthen adherence to the Code of Conduct	Promote the organization's Code of Conduct through regular training and awareness campaigns	All employees	Ethics and Compliance Committee	Conduct quarterly Code of Conduct training sessions and annual refreshers	40% reduction in Code of Conduct violations annually

(table continues)

Table 20. (continued) Actionable Strategies to Strengthen Identified Weak Areas

Risk Assessment	(3) To foster rigorous risk management practices	Deploy a comprehensive risk assessment and management framework	Risk management teams	Risk Officer and Risk Management Committee	Quarterly risk assessment exercises and immediate formulation of risk mitigation strategies	Identification and mitigation of 25 new risks annually
	(4) To enhance employee capability in fraud detection and reporting	Intensify training on identifying and reporting potential fraud	All employees	Risk Officer and HR Training Lead	Bi-monthly workshops and e-learning modules focused on fraud detection techniques and reporting mechanisms	25% improvement in fraud detection and reporting efficacy
Control Activities	(5) To bolster the review and updating of internal controls	Implement a dynamic control update mechanism	Managers and Supervisors	Compliance Officer (Internal Auditor) and Management Team	Bi-monthly review meetings and timely updates to control mechanisms	Evidence of 6 control review reports annually
	(6) To elevate the consistency and frequency of internal audit reviews	Strengthen internal audit schedules	Internal audit teams	Internal Auditor and Audit Committee	Quarterly internal audits and random spot checks	15% increase in audit reports annually

Delving into the specifics, the first strategy aimed to enhance the frequency and consistency of internal audits—a crucial component in the COSO framework that emphasized the importance of periodic evaluations to ensure the effectiveness of the control environment. By strengthening audit schedules, SID could elevate its audit integrity, ensuring regular checks and maintaining compliance.

The challenge of maintaining up-to-date and relevant internal controls was addressed in the second strategy. Drawing from COSO's principle of periodically updating and reviewing control activities, a dynamic control update mechanism was instituted. Bi-monthly review meetings were proposed to ensure that internal controls remained agile and responsive to the changing environment.

Training, an essential component of the COSO framework, was emphasized in the third strategy. To safeguard the organization from fraudulent activities, intensified training sessions on fraud detection and reporting were proposed. Similarly, the fourth strategy targeted the alignment of job descriptions with organizational goals, ensuring that roles were designed with a clear focus on achieving SID’s overarching objectives.

Information and communication, a pivotal element in the COSO framework, was the focus of the fifth strategy. By launching a comprehensive communication training program, the organization aimed to enhance the efficacy of both internal and external communication. Moreover, the role of technology in strengthening internal controls could not be understated. The sixth strategy underscored the importance of IT training, ensuring that the workforce was well-equipped to leverage technology to its fullest potential.

Risk management, a cornerstone of the COSO framework, was addressed in the seventh strategy. By deploying a comprehensive risk assessment and management framework, SID aimed to proactively identify and mitigate potential risks. The eighth

strategy stressed the significance of regular policy and procedure reviews, ensuring that the organization remained compliant and relevant. Lastly, the ninth strategy introduced a novel metric—the Control Effectiveness Index. This index, parallel to COSO's emphasis on performance metrics, aimed to provide an aggregate measure of control effectiveness, merging various factors like incident reduction and response time. The final strategy reinforced the importance of regularity in control activities, proposing a bi-monthly review mechanism.

In conclusion, these actionable strategies, rooted in the principles of the COSO framework, aimed to fortify SID's control environment. By systematically addressing each identified weak area, SID endeavored to achieve a robust, agile, and compliant internal control system, ensuring the attainment of its organizational objectives, and its ongoing commitment to excellence.

CHAPTER 5

SUMMARY, CONCLUSION AND RECOMMENDATIONS

The final chapter of this research study delves into a summary of the pivotal findings, conclusions drawn from the results, and strategies implemented to enhance internal control practices. This chapter aims to encapsulate the essence of the research, drawing a conclusive narrative from the data analyzed and highlight the strategies that have been developed for entities seeking to bolster their internal control mechanisms.

Summary and Conclusion of Findings

The research embarked on an evaluation of the internal controls within selected SID organizations with the aim of discerning and addressing potential challenges to ensure alignment with the foundational mission and objectives of the organization. This investigation, grounded in the COSO's five-component framework, illuminated the efficiency of internal control mechanisms across select Seventh-day Adventist Church organizations situated in the southern region of Africa. The study spanned fifteen entities, encompassing the Southern Africa-Indian Ocean Division, SIDMEDIA institution, twelve unions, and one attached field. Insights were derived from a cohort of 136 participants, ranging from officers to finance secretaries, as delineated in Tables 1. These detailed findings from Research Questions 1 to 6 underscore the pivotal role of internal controls and their harmony with established

frameworks like COSO in the financial stewardship of organizations. Quantitative data, such as mean scores and standard deviations, indicated an "Average level" of adherence to recognized best practices.

First, it was found that 95.6% of participants expressed confidence in the alignment of the mission and values of the organization with the overarching mission and objectives of the Seventh-day Adventist Church. This revelation reaffirms the commitment of the Division to its foundational objectives and accentuates its role in propelling the organization towards its overarching goals.

The results also highlighted the strengths and areas of opportunity within SID-selected organizations. They demonstrated a commendable approach to internal controls, particularly with a robust foundational control environment scoring an average mean of 3.87, and a pronounced focus on information security, evidenced by a score of 3.83. However, the research also unearthed vulnerabilities. The performance evaluation processes, with a score of 3.01, suggested a need for enhanced risk assessment. The score of 3.34 for monitoring activities and a "Low level" score of 2.44 for Internal Audit Regularity emphasized the criticality of reinforcing oversight mechanisms. Additionally, despite strengths in data security, a score of 3.43 in employee training on organizational policies signified potential improvement areas. Addressing these areas is essential for ensuring financial sustainability and harmonizing with COSO's rigorous standards. The synthesis offers invaluable insights into the complex interplay between varied control facets and their cumulative bearing on financial outcomes, serving as a foundational reference for subsequent research endeavors in this domain.

A careful analysis of the weak areas in each component seems to suggest a need to equip the workforce to address ethical dilemmas by an adherence to the

policies and procedures of the organization. Enhancing employee understanding of organizational policies and procedures is likely to lead to greater alignment with the organization's goals and objectives. A critical starting point to such an endeavor is the provision of a rigorous performance evaluation process for all the employees dealing with internal controls. An effective system of evaluating the workers' performance would be used as a basis for the training and upgrading of every employee.

The area of risk assessment needs special attention as the findings seem to indicate that the employees need to be more involved in the risk assessment process. Further they need training in identifying and reporting potential risks areas. Such training programs would also imply that the various entities are able to provide avenues where the employees can freely communicate to signal any potential risks that would bring harm to the organization. The findings also seem to indicate that management must become involved, in tangible practices, in addressing the risk areas, and correcting the weaknesses that are detected in the various departments. Such tangible actions are needed for the employees to get the message. Without the involvement of the management, the employees may feel afraid to take the risk to report any departure from the expected standards.

Recommendations

Drawing from the research's comprehensive findings and insights presented in Table 20, it becomes evident that to bolster the internal control mechanisms within SID organizations, a series of robust recommendations are necessary. These recommendations aim to reinforce the robustness of the internal control framework and are built on the insights provided by the participants of the study and existing literature.

Control Environment

To enhance the internal control environment within the Division, it is imperative to establish a strong mechanism for reporting ethical violations across all entities. This initiative not only ensures transparency but also fosters a culture of accountability and ethical adherence. Additionally, there is a need to prioritize and amplify the performance evaluation processes of the organization. By leveraging an effective performance evaluation system, the Division can introduce comprehensive training and development programs tailored to individual needs, thus ensuring skill enhancement and optimal performance across all levels and for all employees.

Risk Assessment

The research findings underscore the importance of robust risk management practices. It is recommended that the organization deploys a comprehensive risk assessment and management framework, encompassing proactive identification, evaluation, and mitigation of potential risks. Furthermore, given the critical nature of fraud detection, employees should be equipped with the necessary skills to identify and promptly report potential fraud. This can be achieved through regular training sessions, workshops, and e-learning modules focused on fraud detection techniques.

Control Activities

To maintain a strong control framework, regular review and updating of internal controls are essential. Implementing a dynamic control update mechanism will ensure that the internal controls remain relevant and effective. Moreover, the consistency and frequency of internal audit reviews need augmentation. By strengthening internal audit schedules and introducing a bi-monthly review and

feedback mechanism for control activities, the organization can ensure regular monitoring and timely updates, which will in turn guarantee uniformity and effectiveness across various practices.

Information and Communication

Embracing technology for optimal utilization within the organization is crucial. Intensifying IT training and fostering collaboration with IT experts can drive better understanding and efficient use of technology. Regular technology training sessions, complemented by hands-on practical seminars, can reinforce tech proficiency among employees.

Monitoring Activities

For an enhanced monitoring framework, it is imperative that the organization ensures the existing policy review committee meets regularly and operates effectively. This is crucial to maintain the relevance and applicability of policies, ensuring they reflect the evolving dynamics of the organization and the external environment. Taking responsibility for the consistent review, update, and communication of policy changes will uphold transparency and trust among stakeholders. Furthermore, the development of a Control Effectiveness Index can provide a holistic measure of the overall efficiency and effectiveness of internal control mechanisms, offering insights into areas of improvement and showcasing the strengths of the current system.

Frequency Control

The alignment of job descriptions with organizational goals is pivotal for ensuring role clarity and performance efficiency. Therefore, a structured and consistent job description review cycle is recommended for implementation. As internal audits form the backbone of internal controls, enhancing their regularity and consistency through a streamlined schedule can significantly uplift the control environment. Lastly, to foster a culture of ethical compliance, the organization should prioritize promotion and adherence to its Code of Conduct. Regular training sessions, awareness campaigns, and annual refreshers can drive this initiative, ensuring a significant reduction in violations.

When meticulously implemented, these recommendations have the potential to fortify the internal control mechanisms of the selected SID-organizations. Such enhancement can catalyze organizational growth and success. Ultimately, the objective is to ensure a robust and effective internal control environment that aligns with the primary aim of this study.

Suggestions for Future Research

Based on the findings of the present study, future research should consider exploring geographic disparities in internal control mechanisms. By examining how regional cultural nuances and socio-economic factors influence the robustness and application of internal control mechanisms across different parts of Africa or globally, deeper insights into contextual challenges and strategies can be gained. Additionally, it would be worthwhile to explore the efficacy and adaptability of COSO's five-component framework in diverse institutional settings. Exploring the applicability and effectiveness of this framework in various types of organizations, including

educational, medical, and humanitarian institutions, both within and beyond the Seventh-day Adventist network, would contribute to a comprehensive understanding of its versatility and areas for improvement. These avenues not only broaden the scope of understanding internal controls but also offer opportunities for cross-sectoral learning and collaboration.

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APPENDIX(ES)

A. QUESTIONNAIRES

Informed Consent

You are being asked to participate in a research study entitled: **"Assessing internal control effectiveness within selected organizations in the Southern Africa-Indian Ocean Division of the Seventh-Day Adventist Church."** The study aims to evaluate the internal control system effectiveness in organizations within the Southern Africa-Indian Ocean Division of the Seventh-day Adventist Church and investigate the relationship between the five independent variables of the control environment, risk assessment, control activities, information and communication, and monitoring activities and the dependent variable of internal control effectiveness.

In order to participate in the study, you will be asked to fill out a questionnaire that has 3 sections. Finishing the questionnaire should take approximately 20 minutes.

Your participation in this study is voluntary. If you sign the bottom of this Form, it means that you are giving your consent to be in the study. You will NOT write your name on the questionnaire and this Form is separate from the questionnaire—this ensures that your identity will not be revealed. No one other than the researcher(s) and advisers will have access to the data. All data will be kept on a password protected computer.

If you do not want to participate in the study, do not begin filling the questionnaire or participating in other research activities. If you start to fill the questionnaire and decide you do not want to participate, stop filling it and give it to the researcher. There is no penalty for not participating and your questionnaire will not be used.

If you participate, you will contribute to knowledge understanding *the factors of internal control effectiveness in the Seventh-day Adventist Church and its ministry within the Southern Africa-Indian Ocean Division*. The study's findings may help organizations' management and other stakeholders improve the effectiveness of the internal control system and ensure compliance with regulations and best practices. Additionally, this study will provide a valuable contribution to the existing body of literature on internal control and its effectiveness in the context of religious organizations. There are no identifiable risks in participation. The researcher will answer any questions that you have about the study and you should ask
them now.

If you have complaints or concerns about this research, please feel free to contact any of my advisors:
Main Advisor: **Dr. Mack Tennyson, Ph.D., tennysonm@gcasconnect.org**
Secondary Advisor: **Prof. Marie Anne Razafiarivony, Ph.D., razafiarivonym@aua.ac.ke**

Thank you.
Tsiry Rakotonirina, AUA MBA Student
rakotonirinaT@sid.adventist.org, +27 66 351 0544

By signing below, I agree to participate in this research.

Your Signature: _____ Date: _____

Your Full name: _____

Your Email Address: _____

The AUA Institutional Ethics Review Board has approved this study.

Section I: Background Information

Instruction: Please answer the following questions by selecting the appropriate option.
- If this questionnaire is printed, mark the corresponding circle with a checkmark. [✓]
- If this form is completed electronically, select the corresponding option (also referred to as a "radio button"). If necessary, provide additional information in the provided text box for possibilities that do not apply.

This general information is for analytical purposes only and will not be used for individual identification.

I.1. Age Range

1. 21 – 30 years old
2. 31 – 40 years old
3. 41 – 50 years old
4. 51 – 60 years old
5. Above 60 years old

I.2. Years of Service

1. 1 – 4 years
2. 5 – 9 years
3. 10 – 14 years
4. 15 – 19 years
5. 20 years and above

I.3. Level of Education

1. Undergraduate (Bachelor)
2. Graduate (Masters)
3. Post-Graduate (Doctoral)
4. Other _____

I.4. Current Position in the Organization

1. Officer
2. Associate Officer
3. Assistant Officer
4. Controller/Chief Accountant
5. Auditor
6. IT/SunPlus Specialist
7. Accountant
8. Cashier
9. Finance Secretary
10. Other _____

I.5. Organization Type

1. Division
2. Union
3. Media Institution
4. Other _____

I.6. Are you knowledgeable with the Seventh-Day Adventist Church's working policies and procedures?

1. Yes
2. No

I.8. Do you believe your organization's goals and objectives align well with the mission and values of the Seventh-Day Adventist Church?

1. Yes
2. No

I.9. Who do you believe is the management team, whom you believe is the primarily responsible for maintaining effective internal controls within the organization.

1. Executive & Administrative Committee
2. Senior Officers (President/Executive Sec./CFO)
3. Middle Management or Managers and Supervisors
4. Operational Staff
5. The entire Organization

Section II: Assessment of Internal Control

1. On the table below, please rate each statement according to your knowledge and experience in your workplace.

2. Click or Mark the corresponding circle with a checkmark [✓] to indicate your level of agreement or disagreement with each statement:

	Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
A. CONTROL ENVIRONMENT					
A.1 Control Environment: Demonstrates commitment to integrity and ethical values					
A.1.1. A code of conduct is a set of rules, principles, or standards that guide the behavior and decision-making of individuals within an organization. Our organization has a code of conduct	○	○	○	○	○
A.1.2. All employees are required to follow the code of conduct.	○	○	○	○	○
A.1.3. We have a process in place for employees to report any ethical violations they witness.	○	○	○	○	○
A2. Control Environment: Exercises oversight responsibility					
A.2.1. Our organization has a clear separation of duties in place to prevent fraud and errors.	○	○	○	○	○
A.2.2. Our management team establishes procedures for independent oversight and review of our organization's operations.	○	○	○	○	○
A3. Control Environment: Establishes structure, authority, and responsibility					
A.3.1. Our organization's culture supports transparency.	○	○	○	○	○
A.3.2. Our organization's culture supports accountability.	○	○	○	○	○
A4. Control Environment: Demonstrates commitment to competence					
A.4.1. Our management team ensures that employees have the necessary qualifications and experience for their roles.	○	○	○	○	○
A.4.2. Our management team establishes ongoing training and development programs for employees to ensure they have the skills and knowledge necessary to perform their roles.	○	○	○	○	○
A5. Control Environment: Enforces accountability					
A.5.1. Our management team clearly communicates individual roles and responsibilities to all employees.	○	○	○	○	○
A.5.2. Our management team establishes performance evaluation and feedback processes for employees to ensure they are held accountable for their roles and responsibilities.	○	○	○	○	○
B. RISK ASSESSMENT					
B.6 Risk Assessment: Specifies suitable objectives					
B.6.1. Our management team establishes a risk management plan to mitigate potential risks and ensure our organization's objectives are met.	○	○	○	○	○
B.6.2. Our organization involves employees at different levels in the risk assessment process.	○	○	○	○	○
B.7 Risk Assessment: Identifies and analyzes risk					
B.7.1. Our management team establishes procedures for identifying, evaluating, and managing risks.	○	○	○	○	○
B.8 Risk Assessment: Assesses fraud risk					
B.8.1. Our management team trains employees on how to identify and report potential fraud.	○	○	○	○	○
B.9 Risk Assessment: Identifies and analyzes significant change					
B.9.1. Our management team assesses the potential impact of changes to our organization on an ongoing basis.	○	○	○	○	○
B.9.2. Our management team establishes controls to mitigate any potential risks associated with changes.	○	○	○	○	○

	Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
C. CONTROL ACTIVITIES					
C.10 Control Activities: Selects and develops control activities					
C.10.1. Our management team establishes controls to prevent and detect errors and fraud.	1	2	3	4	5
C.11 Control Activities: Selects and develops general controls over technology					
C.11.1. Our management team establishes controls to protect our organization's information systems and data.	1	2	3	4	5
C.11.2. Our management team implements security measures such as firewalls and encryption to protect our organization's information systems and data.	1	2	3	4	5
C.12 Control Activities: Deploys through policies and procedures					
C.12.1. Our organization has clearly defined policies and procedures in place for all areas of our operations.	1	2	3	4	5
C.12.2. Our management team ensures that all employees are trained on and understand the organization's policies and procedures.	1	2	3	4	5
D. INFORMATION AND COMMUNICATION					
D.13 Information and Communication: Uses relevant information					
D.13.1. Our organization provides accurate and timely information to management and other stakeholders.	1	2	3	4	5
D.13.2. Our organization has a system in place to ensure that information is accessible.	1	2	3	4	5
D.13.3. Our organization has a system in place to ensure that information is secure.	1	2	3	4	5
D.14 Information and Communication: Communicates internally					
D.14.1. Our organization has clear communication lines between the staff and the management Leadership.	1	2	3	4	5
D.14.2. Our organization encourages open communication and feedback between employees and their supervisors.	1	2	3	4	5
D.15 Information and Communication: Communicates externally					
D.15.1. Our organization has a clear policy about who and when is authorized to communicate to external parties, such as members, donors, other organizations.	1	2	3	4	5
D.15.2. Our organization has a process for verifying the accuracy of information before it is communicated to external parties.	1	2	3	4	5
E. MONITORING ACTIVITIES					
E.16 Monitoring Activities: Conducts ongoing and/or separate evaluations					
E.16.1. Our organization has a process in place for identifying and addressing any deficiencies in our internal controls.	1	2	3	4	5
E.16.2. Our organization has a dedicated team or person responsible for monitoring and evaluating the internal control system.	1	2	3	4	5
E.17 Monitoring Activities: Evaluates and communicates deficiencies					
E.17.1. Our organization ensures that identified deficiencies in internal controls are communicated promptly to relevant personnel and management.	1	2	3	4	5
E.17.2. Our organization's management team is actively involved in the process of identifying and addressing internal control deficiencies	1	2	3	4	5

Adapted from "Control Environment Self-Assessment Questionnaire" (n.d.) and from "The Committee of Sponsoring Organizations of the Treadway Commission" (2013)

Section III: Frequency of Internal Control actions and updates

1. On the table below, please rate the frequency of each statement according to your knowledge and experience in your workplace.
2. Click or Mark the corresponding circle with a checkmark [✓] to indicate the level of frequence of each statement.

	Never	Every 1 – 12 months	Every 13 – 24 months	Every 25 – 36 months	More than 37 months
	1	2	3	4	5
III.1. Our management review and update our code of conduct to ensure it aligns with industry standards and best practices.	○	○	○	○	○
III.2. Our management team conducts regular internal audits to ensure compliance with policies and procedures.	○	○	○	○	○
III.3. Our management review and monitor internal controls	○	○	○	○	○
III.4. Our management team regularly reviews and updates employee job descriptions to ensure they align with our goals and objectives.	○	○	○	○	○
III.5. Our management team regularly reviews and updates our organization's goals and objectives.	○	○	○	○	○
III.6. Our management team conducts regular reviews of the organization's risk management plan to ensure it is aligned with current changes.	○	○	○	○	○
III.7. Our management team conducts regular reviews to ensure that controls are in place and effective.	○	○	○	○	○
III.8. Our management team regularly reviews and updates our technology controls to ensure they are up-to-date and effective.	○	○	○	○	○
III.9. Our management team regularly reviews and updates our policies and procedures to ensure they remain effective.	○	○	○	○	○
III.10. Our management team regularly evaluates the effectiveness of internal communication and makes improvements as needed.	○	○	○	○	○
III.11. Our management team regularly reviews and updates our external communication procedures to ensure they remain effective.	○	○	○	○	○
III.12. Our organization regularly evaluates the effectiveness of our internal controls.	○	○	○	○	○
III.13. Our organization regularly reviews and updates our internal controls to ensure they remain effective.	○	○	○	○	○

Thank you, and
God bless you, your family, and your ministry!

B. STATISTICAL ANALYSES

Demographic Characteristics of the Respondents

Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	21-30	4	2.9	2.9	2.9
	31-40	38	27.9	27.9	30.9
	41-50	44	32.4	32.4	63.2
	51-60	39	28.7	28.7	91.9
	Above 60	11	8.1	8.1	100.0
	Total	136	100.0	100.0	

Years Of Service

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-4	3	2.2	2.2	2.2
	5-9	17	12.5	12.6	14.8
	10-14	26	19.1	19.3	34.1
	15-19	36	26.5	26.7	60.7
	20 and above	53	39.0	39.3	100.0
	Total	135	99.3	100.0	
Missing	System	1	.7		
Total		136	100.0		

Education Level

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Bachelors	66	48.5	48.9	48.9
	Masters	40	29.4	29.6	78.5
	Doctorate	15	11.0	11.1	89.6
	Other	13	9.6	9.6	99.3
	5	1	.7	.7	100.0
	Total	135	99.3	100.0	
Missing	System	1	.7		
Total		136	100.0		

Current Position in the Organization

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Officer	44	32.4	32.4	32.4
	Associate Officer	15	11.0	11.0	43.4
	Assistant Officer	8	5.9	5.9	49.3
	Chief Accountant	5	3.7	3.7	52.9
	Auditor	4	2.9	2.9	55.9
	SunPlus/IT Specialist	9	6.6	6.6	62.5
	Accountant	40	29.4	29.4	91.9
	Cashier	6	4.4	4.4	96.3
	Financial Secretary	5	3.7	3.7	100.0
	Total	136	100.0	100.0	

Organization Types

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Division	28	20.6	20.6	20.6
	Union	98	72.1	72.1	92.6
	Media	2	1.5	1.5	94.1
	Other	8	5.9	5.9	100.0
	Total	136	100.0	100.0	

Respondents' familiarity with the SDA Policies

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	127	93.4	94.8	94.8
	No	7	5.1	5.2	100.0
	Total	134	98.5	100.0	
Missing	System	2	1.5		
Total		136	100.0		

Respondents' perception of organizational alignment with mission and goal

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	130	95.6	97.0	97.0
	No	4	2.9	3.0	100.0
	Total	134	98.5	100.0	
Missing	System	2	1.5		
Total		136	100.0		

Management Team primary responsible for internal controls

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Executive Committee	46	33.8	34.3	34.3
	Top Administration	31	22.8	23.1	57.5
	Middle Managers	21	15.4	15.7	73.1
	Operational Staff	2	1.5	1.5	74.6
	Entire Organization	34	25.0	25.4	100.0
	Total	134	98.5	100.0	
Missing	System	2	1.5		
Total		136	100.0		

Position * In charge Crosstabulation

		In charge					
		Executive Committee	Top Administration	Middle Managers	Operational Staff	Entire Organization	Total
Position	Officer	26	12	2	0	3	43
	Associate Officer	2	5	1	0	7	15
	Assistant Officer	4	4	0	0	0	8
	Chief Accountant	1	2	1	0	1	5
	Auditor	4	0	0	0	0	4
	SunPlus/IT Specialist	0	0	3	0	5	8
	Accountant	7	6	10	2	15	40
	Cashier	2	1	1	0	2	6
	Financial Secretary	0	1	3	0	1	5
Total		46	31	21	2	34	134

Control Environment

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
CE.A.1.1	136	1.00	5.00	4.3529	.82129
CE.A.1.2	136	1.00	5.00	4.3897	.87070
CE.A.1.3	136	1.00	5.00	3.5588	1.04538
CE.A.2.1	136	2.00	5.00	4.1176	.76069
CE.A.2.2	136	1.00	5.00	3.8088	.89040
CE.A.3.1	136	1.00	5.00	3.9926	1.02918
CE.A.3.2	136	1.00	5.00	4.0221	.97727
CE.A.4.1	136	1.00	5.00	3.9265	.86609
CE.A.4.2	136	1.00	5.00	3.6544	1.09800
CE.A.5.1	136	1.00	5.00	3.7721	1.01081
CE.A.5.2	136	1.00	5.00	3.0074	1.14501
ControlEnvironment	136	1.82	5.00	3.8730	.68873

Risk Assessment

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
RA.B.6.1	136	2.00	5.00	3.5441	.93387
RA.B.6.2	136	1.00	5.00	3.1471	.90700
RA.B.7.1	136	2.00	5.00	3.3382	.86256
RA.B.8.1	136	1.00	5.00	3.0000	.98131
RA.B.9.1	136	1.00	5.00	3.1838	.92858
RA.B.9.2	136	1.00	5.00	3.3529	.84791
RiskAssessment	136	1.50	4.83	3.2610	.76112

Control Activities

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
CA.C.10.1	136	2.00	5.00	3.8382	.76226
CA.C.11.1	136	1.00	5.00	4.0956	.80626
CA.C.11.2	136	1.00	5.00	4.1176	.78936
CA.C.12.1	136	1.00	5.00	3.7647	.89637
CA.C.12.2	136	1.00	5.00	3.4338	.97906
ControlActivities	136	2.20	5.00	3.8500	.62480

Information and Communication

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
IC.D.13.1	136	1.00	5.00	3.8015	.90119
IC.D.13.2	136	1.00	5.00	3.8015	.84169
IC.D.13.3	136	2.00	5.00	3.9118	.74506
IC.D.14.1	136	1.00	5.00	3.8309	.95495
IC.D.14.2	136	1.00	5.00	3.8162	1.02706
IC.D.15.1	136	1.00	5.00	3.8750	.93838
IC.D.15.2	136	1.00	5.00	3.7426	.88608
InfoandCommuc	136	1.29	5.00	3.8256	.74214

Monitoring Activities

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
MA.E.16.1	136	1.00	5.00	3.5515	.83284
MA.E.16.2	136	1.00	5.00	3.3382	1.05564
MA.E.17.1	136	1.00	5.00	3.5000	.88611
MA.E.17.2	136	1.00	5.00	3.5809	.94716
MonitoringActivities	136	1.25	5.00	3.4926	.81646

Frequency of Control

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
F1	135	1.00	5.00	3.0000	1.41948
F2	135	1.00	5.00	2.4444	1.27353
F3	134	1.00	5.00	2.6269	1.14820
F4	135	1.00	5.00	2.9407	1.34255
F5	134	1.00	5.00	3.1716	1.34626
F6	134	1.00	5.00	2.7015	1.22032
F7	134	1.00	5.00	2.7985	1.16193
F8	135	1.00	5.00	2.7630	1.19830
F9	134	1.00	5.00	3.0149	1.21386
F10	134	1.00	5.00	2.6791	1.21148
F11	134	1.00	5.00	2.7090	1.24348
F12	134	.00	5.00	2.7388	1.18847
F13	134	1.00	5.00	2.7164	1.15434
FrequencyofControl	135	1.00	5.00	2.7835	.93360

C. PERMISSION TO CONDUCT RESEARCH

ADCOM FOLLOW-UP
CORRESPONDENCE
Southern Africa-Indian Ocean Division
November 14, 2022

RECIPIENTS : **TSIRINIAINA RAKOTONIRINA**

COPIES : **GIDEON REYNEKE AND LAURENT BRABANT**

SUBJECT : **AUTHORIZATION TO CONDUCT A RESEARCH STUDY**

Dear Colleague

During our NOVEMBER 10, 2022 ADCOM we took the following decision:

22-727 AUTHORIZATION TO CONDUCT A RESEARCH STUDY
WHEREAS Tsiriniaina Rakotonirina is pursuing post graduate studies (MBA) at the Adventist University of Africa.

WHEREAS his thesis requires him to conduct research on "Assessing the internal control effectiveness with selected organisations in the Southern Africa-Indian Ocean Division of the Seventh-day Adventist Church."

VOTED to approve the request from Tsiriniaina Rakotonirina to conduct the said research.

Kind greetings

CURRICULUM VITAE

TSIRY RAKOTONIRINA

Candidate Master's in Business Administration

CONTACTS

27 Regency Dr, Corporate Park,
Route 21, Pretoria, South Africa

066 351 0544

ta.rakotonirina@gmail.com

rakotonirinaT

SKILLS

- Teamwork
- Internal Control
- Problem Solving
- Troubleshooting
- Teaching/Training
- Report Designing
- Financial Accounting
- Financial Analysis
- Account Reconciliation
- Leadership
- Decision Making
- Financial Planning & Strategy
- SunSystems
- Programming
- Strategic Planning
- Project Management
- Typewriter
- Budget
- Excel
- Word
- PowerPoint

PROFESSIONAL SUMMARY

As a professional and official Global SunPlus Financial Statements Designer and Senior SunPlus Support for 5 years, the Lord permitted me to serve the General Conference Headquarters Treasury Department, 11/13 Divisions with about 1,200 Organizations worldwide, 4,000 Users within 150 Countries. Being creative, self-taught, attentive to details, and determined are what I consider my most distinctive assets. Outside of report designing, finding, and fixing mistakes, assessing, and improving internal control processes, assisting in audit preparation, and training users to avoid repeating the same mistakes were my daily drive as a part of the Global Support Team.

CORE QUALIFICATIONS

- Exceptional experience in working in accounting, Fund Accounting, and other related business areas in a large, complex environment.
- Profound understanding of Financial Statements in a multicurrency environment.
- Sound knowledge of account reconciliation processes.
- Deep knowledge of SunSystems and Report Designing.
- Vast knowledge of accounting and internal controls.
- Proficient in MS Office Suite, including Excel, Word, and Outlook.
- Good understanding of the Seventh-Day Adventist Accounting Manual.
- Good understanding of the Seventh-Day Adventist Church structure, policy, and Interactions.
- Ability to provide sound advice to Accounting Team with a strong emphasis and orientation towards both internal controls and accounting processes.
- Ability to work well in a dynamic environment and to work in a collaborative manner across organizational lines.
- Ability to manage multiple assignments, requests, and projects.
- Extreme ability to self-taught, adapt to the new environment and various software necessary for an internal function.
- Ability to manage and prioritize workload, delegate effectively, and meet deadlines.
- Remarkable ability to develop a high-performing team.

REFERENCE

Danny Orillosa, GC SunPlus Associate Director and SunPlus HR Director:
OrillosaD@sunplus.adventistr

Dr Mack Tennyson, SDA Accounting Manual Author:
TennysonM@gcasconnect.org

EDUCATION

2022 - Ongoing MBA – Major Accounting

2005 – BBA – Major Management, Minor Theology

LANGUAGE

English
French
Malagasy

OTHER ACTIVITIES

Elder Pioneer SDA Church

Member of SunPlus Financial Statements Committee

Member of SunPlus Tithe-Based Core Design Committee

Member of SunPlus Medical Core Design Committee

Member of SunPlus Education Core Design Committee

Member of GC Headquarter Accounting Support and Design Team

WORK EXPERIENCE

Internal Auditor, 2022 – Present
SID - Treasury Department, South Africa

- Prepare audit Smartsheet and ensure all documents are submitted to GCAS.
- Conduct SunPlus internal training and update financial templates.
- Review monthly reconciliations, enforce internal controls, and address inconsistencies.
- Recommend control processes, verify transactions, and oversee policy compliance and other assigned tasks.

Senior Application Support Specialist, 2016 – 2022
Assistant to the SunPlus Director, 2016 – 2019
GC - SunPlus Department, South Africa

- Officially design and maintain the SunPlus Global Financial Statements and any key Report used globally (Trial Balance, Fixed Asset Report, Expense Report …)
- Design and Maintain the General Conference Headquarters Customized Financial and Accounting Reports.
- Globally support, train, and assist on accounting and financial reporting 12 of 13 Divisions of the Seventh-Day Adventist Church at all levels.
- Assist and contribute actively in various SunPlus Core Committees.

SunPlus Specialist and Retirement Accountant, 2013 – 2016
IOUC, Madagascar

- Prepare systematic audit files and accounts Reconciliation.
- Implement, train, and support various IOUC entities on SunSystems and the Old Sun Account.
- Design, upload and maintain various entities' budget templates.
- Design and maintain various Vision Executive and Excel Reports.
- Manage and account IOUC retirement funds with a GC investment fund.
- Design Retirement Plan process, write Retirement Plan manual of process.

Accountant, 2007 – 2013
IOUC, Madagascar

- Manage accounting activities to ensure compliance with accounting principles, policies, and GCAS Audit.
- Review and analyze the balance sheet, income statement, cash flow statements, and various financial statement notes.
- Prepare monthly Union Payroll for 9 years (2007-2016) with 75 employees and 250 retirees.