

## PROJECT ABSTRACT

Master of Business Administration  
Finance Option

Adventist University of Africa

Title: ACCOUNTING AND FINANCIAL MANAGEMENT INTERNAL CONTROL AND APPLICATION PLAN IN SELECTED NGOS IN LOME, TOGO

Researcher: Kokou Bagna

Faculty Advisor: Hannah Fosuaa Amo, MPhil, CA

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The revelation of enormous financial scandals about firms, charities organizations or NGOs (Non-Government Organizations), including issues such as fraud, were related to accounting and financial management internal control. This research paper sought to access the accounting and financial internal control and their application in selected NGOs in Lomé, Togo. The study was guided by the following questions: what are the principles underlying effective internal controls system that are practiced in the selected NGOs? What challenges are selected NGOs confronted with when applying effective internal controls in the operations? What steps are needed to build effective internal control in selected NGOs in Togo? The quantitative descriptive study method was used to collect and analyze data. Self administrated questionnaire was the main instrument for collecting primary data. Questionnaires were analyzed using descriptive statistics such as frequencies and percentages.

The major findings of this study revealed that a majority (71%) of respondents did not have an accounting and financial manual. The findings revealed challenges and the results of this study suggested that following steps such as monitoring, self auditing and periodical review of accounting manuals may help to build an effective accounting and financial internal control.

Adventist University of Africa

School of Postgraduate Studies

ACCOUNTING AND FINANCIAL MANAGEMENT INTERNAL CONTROL  
AND APPLICATION PLAN IN SELECTED NGOS  
IN LOME, TOGO

A project

presented in partial fulfillment  
of the requirements for the degree  
Master of Business Administration

by

Kokou Bagna

June 2017

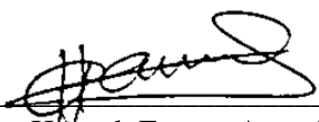


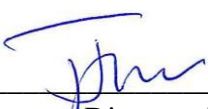
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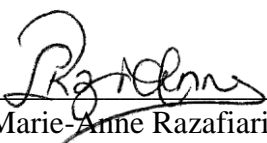
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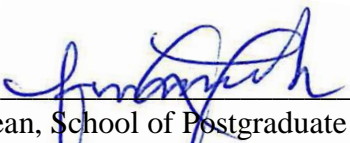
by  
Kokou Bagna

APPROVAL BY THE COMMITTEE:

  
\_\_\_\_\_  
Advisor: Hannah Fosuaa Amo, MPhil, CA

  
\_\_\_\_\_  
Programme Director, MBA  
Josephine Ganu, PhD

  
\_\_\_\_\_  
Reader: Marie-Anne Razafiarivony, PhD

  
\_\_\_\_\_  
Dean, School of Postgraduate Studies  
Daniel Ganu, DrPH

Extension Site: Valley View University

Date: June 2017

Dedicated to Almighty God, my wife, Esther Be, and my son,  
Néri Djiédzom, without whose patience and understanding this  
work would not have been undertaken and completed.

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## CHAPTER 1

### INTRODUCTION

#### **Background of the Study**

Togo as any other country in the world has not been spared from financial scandals. They are the consequence of major breaches of the laws governing the sector which involve the businesses concerned, but also illegal behaviors with regard to rules and guidelines within these companies including, for example, Affairs of the OTP (Office Togolaise des Phosphates), and Togolese cloth manufacturing plant (Usine Textile Togolaise de DATSA).

In the majority of cases, deficiencies in internal control system or its almost total absence, within these entities were highlighted. This scourge affecting a large number of companies, even at the level of the precursor auditing and internal control countries, proves that the establishment of these practices in an efficient manner is a delicate task and difficult, and their application always has its limits and its failures.

Internal control has been the subject of reflections, research and debates since the appearance of major financial scandals. The financial scandals which occurred in some American companies during the late 1990s and early 2000s resulted into the adoption the Sarbanes Oxley Act (SOX) in 2002. The most common repository is the U.S. document published in 1992 and entitled "Internal Control – Integrated Framework", known as the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Despite the challenges concerning cost effectiveness, the expectations of profits, it is prudent for policymakers and business leaders to improve the management of resources in updating their management method and demonstrating rigor in control. Effective internal control helps improve risk management or control, reliability of financial information, the optimization of operations and thus the organization's image. Internal control thus presents itself as an integral part of any system. It indeed makes it possible to better control the functioning of an organization, and in so doing help the manager to prevent or minimize risks. To be effective and efficient, competing on the national and international level, NGOs are not excluded from the rule of internal control.

Major weakness in internal control could be the weakness in accounting and financial management control. And the most major weakness in accounting and financial control management is a lack of adequate documentation and procedures. The internal accounting and financial control is a major element of the internal control and concerns the whole process of producing and communicating accounting and financial information. Accounting and financial internal control are methods and procedures that are implemented by an organization to help ensure the validity and accuracy of its own financial statements. The internal control of accounting and financial management should generally apply despite the nature and the level of the organizations.

Although management control is an essential element to ensure the effectiveness of the system of internal accounting and financial control, several organizations do not have structured and organized system, or do not properly use it because it is either misapplied, wrongly conceived or not appreciated at its fair value. Thus, such undertakings are generally overdue, disabled by failures and weaknesses

in accounting and financial control that may affect the achievement of objectives. This can have serious consequences, leading to the crisis of confidence of investors in for-profit businesses, crisis of confidence of donors for the not-for-profit organizations especially in NGOs. Transparency and accountability is the requirement of Donors, European Union and Togo Government.

### **Statement of the Problem**

Most of charity organizations such as faith-based organizations and NGOs are funded through grants from donor agencies, religious bodies such as the churches, partly from contribution by its members, trustees and government or states both national and international. Hence, they are accountable and responsible to these donors and beneficiaries. Accountability and responsibility require proper internal controls. A proper accounting and financial internal control is required at any organization. A standard is the establishment of internal control structure, the application of accounting and financial procedures for predicting and detecting problems related to management in order to avoid financial scandals. It appears that many of these NGOs or charity institutions in Togo fail to have proper internal control procedures in place and hence encounter many difficulties in securing trust from the local public as well as the international donors.

The study therefore sought to investigate the internal control procedures and regulations among selected NGOs in Lomé and propose the internal control procedures and application plan for selected NGOs.

## **Research questions**

The study was guided by the following research questions:

1. What are the principles underlying an effective internal controls system that are practiced in the selected NGO?
2. What challenges are selected NGOs confronted with when applying effective internal controls in their operations?
3. What steps are needed to build effective internal control in selected NGOs in Togo?

## **Significance of the Study**

There is need for an organization to understand its obligation and to take necessary action as to be in a better position to offer competitive service. The outcome of this study will bring to light the internal control practices of the NGOs in Togo. Also, the proposed application plan will help NGOs to be accountable to the donor agencies and individuals who support your cause. This will help bring legitimacy of NGOs willing to apply the proposed recommendations provided. This would lead to enhanced trust thereby increasing the chances of getting a continuous support from them. Also, the results of the study will help to improve transparency and accountability of NGOs before their stakeholders.

## **Scope and Limitation of the Study**

The study was limited to one hundred and twenty-two NGOs selected in Lomé, Togo. Among the internal control pillars or variables, this paper looked into the accounting and financial management aspect of the internal control. Such study needs much more time and resources. A limited number of NGOs in Lomé who actually participated in the study will affect the generalizability of this study. Difficult

access and unwillingness of NGOs to grant interview and complete the questionnaire were the major constraint and limitations for this study.

### **Operational Definition of Terms**

**Internal control-** is a process, executed by the board of directors of the entity, management and other employees, designed to provide reasonable assurance regarding the achievement of objectives. Is a control in the narrow sense regards to procedures, segregation of duties, supervision, resolution of deviations, continuity of activities, strategies for control?

**Accounting Management Control:** is a set of methods and procedures that are implemented within an organization or firm to help ensure the validity and accuracy of its own financial statements. The accounting controls do not ensure compliance with laws and regulations, but rather are designed to help an organization or firm comply. Accounting Management Control is deal with policies or principles and procedures.

**Financial Management Control:** is the operation of the organizational activities or business dealing with cash inflows and cash outflows. Financial management is the area of business management devoted to a judicious use of capital and a careful selection of sources of capital in order to enable a business firm to move in the direction of reaching its goals

**Procedures-** all formalities, steps to be accomplished to get specific outcomes

**Policy-**The set of basic principles and associated guidelines, formulated and enforced by the governing body of an Organization, to direct and limit its actions in pursuit of long-term goals.

**Transparency-** The lack of hidden agendas and conditions, accompanied by the availability of full information required for collaboration, cooperation, and collective

decision making. Minimum degree of disclosure to which agreements, dealings, practices, and transactions are open to all for verification. Essential condition for a free and open exchange whereby the rules and reasons behind regulatory measures are fair and clear to all participants.

## CHAPTER 2

### REVIEW OF RELATED LITERATURE AND STUDIES

This chapter presents a review of literature on internal control concepts, deficiencies and weaknesses, challenges of internal control, importance and effectiveness of internal control, the principles and the procedures, of accounting and financial management internal control for both a profit and nonprofit organization such as NGOs. The aim of this chapter is to review current knowledge including substantive findings as well as theoretical contributions to accounting and financial management internal control.

#### **Definitions of Internal Control**

Literature demonstrates that there are multiple definitions of internal control. Its conception was understood differently by organizations and authors. The conception also differs from enterprises to enterprises and from industries to industries. The concept of internal control has been improved during the years. According to Vaclovas (2012), the definition of internal control was presented for the first time in 1949 by the American Institute of Certified Accountants (AICPA). AICPA (1949) defined internal control as a plan and ways by which the enterprise keeps safe its assets.

The definition of control concept has been constantly improved. Improvements were as the result from the collapses of companies such as Enron, WorldCom, Ahold and others. This resulted into the introduction of the Sarbanes-Oxley Act (2002) in

USA. According to Vaclovas (2012), the definitions of internal control could be classified in three groups such as supervision, observation, maintenance and regulation of the enterprise's work. Internal control is a process to achieve concretized and general goals of the enterprise (Vaclovas, as cited in Shim, 2012). "Internal control is part of the enterprise management systems. That is, a plan of enterprise internal control, means and ways to protect property, to check rightness of the performance, guarantee the effectiveness and politics of the performance. ..., to achieve the goals and to suppose perspectives ". For example, " internal control is a process through which the enterprise reaches its goals, results, also plans authority performance, arrangement, monitoring in the whole enterprise or separate subdivisions "(Vaclovas, as cited in King, 2011, p.6).

Internal control is defined as applying rules and regulations within an organization with purpose to reach goals. It is considered as a summation of certain regulations and norms. According to Siayor (2010), internal control system refers to all the policies and procedures adopted by the directors and management of an entity to assist them in achieving their objectives of ensuring, as far as practicable, the orderly and efficient conduct of a business, including adherence to internal policies, the safeguarding of assets, the prevention and detection of fraud and error, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information. According to CPA Australia, Internal Controls for not-for-profit organizations (2011, p.3), "Internal controls are systems of policies and procedures that safeguard assets, ensure accurate and reliable financial reporting, promote compliance with laws and regulations and achieve effective and efficient operations." For example, COBIT 4.1 (2007. p.13) stated that "It is a process including norms, procedures, performance, and organizational structure established to

ensure reasonable guarantees so as to achieve settled business goals and avoid undesirable event."

### **Internal Control and Organization Authorities**

From another point of view, internal control is concerned with authority management tools that helps to control process and achieve enterprise goals. For example according to International Organization of Supreme Audit Institutions (INTOSAL, 2004), as cited by Azuma (2008) in The framework of INTOSAI Government Auditing Standards, "internal control is an integrated process performed by organization authorities ... and aimed to identify risk factors and according to the mission of organization performance to ensure reasonable implementation of the common goals:- to implement the performance regularly, ethically, economically, efficiently and effectively;- to carry out payment responsibilities- to obey valid laws and normative legal acts;- to protect resources from loss, from wrong usage and damage and to control the related risk factors." Again, the Committee of Sponsoring Organizations of the Treadway Commission (COSO, 2013) defined Internal control as a process, effected by an entity's board of directors, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting, and compliance. According to Guide to Internal Control over Financial Reporting (Center for Audit Quality, 2013), internal control includes all of the processes and procedures that management puts in place to help make sure that its assets are protected and that company activities are conducted in accordance with the organization's policies and procedures. According to COSO (1992), "internal control is an executive process of board of directors, authorities and other employees to achieve purposes in these categories: efficiency and effectiveness of operations, reliability of financial accountability; obeying laws and legal acts."

Some authors have declared internal control as a mistake detecting and correcting system. For example, "internal control is a system of avoiding, identifying and correcting mistakes that might appear during information processing"(Vaclovas, as cited in Pfister, 2009).

Internal control is viewed as a system involving all parts of control system existing in the enterprise and managing to control risks. According to Drury (2012), "control is a connection net through which the performance of an enterprise is controlled to ensure its right actions in the future". In view of State Comptroller DiNapoli (2007), "internal control is defined as a system linking up enterprise performance, plans, attitudes, politics, integration of systems, management of human resources that helps the organization to achieve the settled goals and to follow its mission."

Different researchers give different definitions of internal control. Despite the multiple definitions and descriptions of internal control, Vaclovas (2012) revealed that according to the majority of Lithuanian and others foreign scientists', internal control is all-inclusive activity in financial and management accounting, as well in the strategic management of project, operations, personnel and total quality management. He said that even in common information sources the definitions of control are formulated differently, although the common meaning is quite similar.

Different definitions and conceptions of internal control above denote that there is no one solid concept, definition or description of internal control. Values such as honesty, trust and transparency were usually absent, although they could influence the concept and definitions. It should be noted that there is a need for effective internal controls for any organization due to its inherent benefits.

## **Internal Control and Legitimacy**

Internal control is management tool which is important for both profit and Non-profit organization such as NGOs, Faith base Institutions and Churches. Churches are Non-profit organizations and as such they do not issue shares and their missions are not to maximize profit. According to Godson, as cited in Wilhelm, 2006 "internal control is especially important for Non-profit organizations which rely on public trust more than other organizations." Based on this statement, there is a strong relationship between public perception and the Non-profit organization legitimacy.

Legitimacy has been defined as:

A generalized perception that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions. Legitimacy represents an umbrella evaluation, it transcends specific adverse acts or consequences; thus, legitimacy is resilient to particular events, yet it is dependent on a history of events. It represents a reaction of observers to the organisation as they see it; thus, legitimacy is possessed objectively, yet created subjectively. Legitimacy is socially constructed in that it reflects congruence between the behaviours of the legitimated entity and the shared (or assumedly shared) beliefs of some of the social group (see Suchman, 1995. p. 574).

A quick analysis of this statement make it clear that legitimacy has solid base concepts: system of norms, values, beliefs. It is a standard used by direct and indirect stakeholders. According to Juma and Goddard (2004), legitimacy was unquestioned when the organisation had donor appeal, high general public standing and its leaders had high credibility; questionable when these attributes (norms, values, procedures) were substantially lacking. Juma and Goddard, in their research paper "Accounting

and navigating legitimacy in NGO's", used Tanzania NGOs as example, showed that legitimacy is a key factor of successful for Non-profit organizations in Tanzania. For example, they reported: "CHNGO began in 1987 as one of the highly-regarded pioneer NGOs in the country. It expanded rapidly within five years of establishment such that organisational arrangements that worked well during the formative years became inadequate - accounting being central among these. As an inspection report had observed: 'With CHNGO's rapid growth in recent years not enough attention has been devoted to subjects such as internal organisation, internal control guarantees and matters relating to management and accounting. KNGO on the other hand had been able to maintain a high legitimacy standing since its establishment in 1993 through a combination of strategies that have seen it emerge as one of the most financially secure NGOs in the country.'" According to their research, legitimacy and organizational internal control were interchangeable and encompassed accounting and finance and Auditing report. The audit process emerged as an important channel for attaining legitimacy. According to their research, CHNGO appointed a multinational accounting firm as auditor to replace a local audit firm, a decision that resulted in a three-fold increase in audit fees. However, management as well as donors saw the association with the multinational accounting firm as of symbolic as well as professional significance in the eyes of readers of audited financial statements. Thus, legitimacy and internal control component are much tied and lead organization to credibility. According to CPA Australia, one of the world's largest accounting bodies, good internal control will help align the performance of the organization with the overall objectives, encourage good management, ensure proper financial reporting, safeguard assets, deter and detect fraud and error, reduce exposure to risks.

Petrovits et. al. (2009) affirms that internal control systems are not new to the NGOs (Non-governmental Organizations) sector including the FBOs (Faith Based Organizations). Most organizations that receive external funding are subjected to rigorous internal control in line with the donor agency requirements. FBOs which exhibit internal control deficiencies may risk losing the much-needed funding from the donors as they are accountable to them as well as the beneficiaries, the employees and other stakeholders (Abdulkadir, 2014). In his research entitled "Challenges of implementing internal control systems in Non-governmental Organizations (NGO) in Kenya: A case of Faith-Based Organizations (FBO) in Coast Region" Abdulkadir (2014), stated that traditionally, the management of NGOs have relied on informal processes based on shared norms and values of delivering humanitarian services, rather than on formalized procedures. Thus, internal control is likely to be viewed as secular rather than sacred, and as result, considered irrelevant and unnecessary. Ayoub (2011), in his research on "gouvernance et pratiques comptables: quelle transparence pour les organisations caritatives en France (governance and accounting practices: what transparency for charities organizations in France)" said that in France, the law of 1901 invites associations or NGOs to report but it does not require them to implement the specific accounting rules. Despite the existence of these different regulations in France, the Court of Auditors, one of sector oversight agencies, estimated in a report published in 2007, p.21, that this measurement, law or regulation was not followed by the agencies using the public generosity funds.

### **Internal Control and Donors Funding**

As the NGO sector has expanded in terms of funding and functions, there has been a growing concern with the issues of professionalization (Organisational development and capacity building) and accountability (financial probity and

transparency). According to Abdulkadir (2014), policy makers have recently focused considerable attention on perceived weaknesses in the accountability and transparency of charitable organizations. There has increasingly been pressure from donors, government and other official agencies for NGOs to show accountability, managerial competence and strong internal control system (see Chenhall, 2010). According to Petrovits (April 2009), the law makers have increased calls for Non-profit organizations to adopt more rigorous corporate governance practices, including improved internal control practices. These were due to the scandals include the conviction of the CEO (Chief Executive Officer) of the United Way of America for fraud; the Ponzi scheme perpetuated by the Baptist Foundation of Arizona, which an audit by Arthur Anderson failed to detect, that resulted in the largest Non-profit bankruptcy ever; the misuse of funds by the executive director of the NAACP (National Association for the Advancement of Colored People); and the lavish spending of university money by the president of Oral Roberts University, to name a few (Petrovits, Shakespeare and Shih, April 2009). The KPMG Observatory (2007) noted that out of the 50 most major charities analysed by the Observatory, 67% of them could improve their statement of financial position and 76% their declaration of resources.

### **Internal Control Weaknesses and Deficiencies**

In spite of national and international norms and procedures, the literature shows that there are multiple facets of internal control weaknesses. For example, a study by Doyle (2006), in his research paper on "Determinants of weaknesses in internal control over financial reporting", examined 779 firms as sample from August 2002 to August 2005. He focused on material weaknesses in internal control under Section 302 and 404 of the Sarbanes-Oxley Act of 2002. A material weakness in

internal control is defined as “a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the annual or interim financial statements will not be prevented or detected”

(PCAOB, 2004). Per the results, the following weaknesses were pointed out:

1. Staffing: a.) Inadequate qualified staffing and resources leading to the untimely identification and resolution of certain accounting and disclosure matters and failure to perform timely and effective reviews, b.) The need to increase the training of the financial staff, c.) Weak internal controls and procedures relating to separation of duties;
2. Complexity: a.) Inconsistencies in the application of company policies among business units and segments, b.) Material weaknesses in the interpretation and application of complex accounting standards, such as standards related to hedge transactions;
3. General: a.) Weak internal controls related to contracting practices, b.) Deficiencies related to the design of policies and execution of processes related to accounting for transactions, c.) Deficiencies in the period-end reporting process. For example, there are a large number of material weaknesses associated with segregation of duties.

A year after, Ashbaugh-skaife, Collins and Kinney (2007), examined internal control deficiencies prior to SOX-mandated audit in their research paper on "the discovery and reporting of internal control deficiencies prior to SOX-mandated audit" find that, firms disclosing internal control deficiencies have more complex operations, recent organizational changes, greater accounting risk, more auditor resignations and have fewer resources available for internal control. Contrary to Doyle (2007), who concentrated or restricted the research on "material weaknesses", they focused their study on three levels of internal control deficiencies based on the likelihood that a

material misstatement of annual or interim financial statements might result (PCAOB, 2004). Specifically, Auditing Standards No. 2 states: 1- A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis (Auditing Standards No.2, paragraph 8). 2- A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the company's ability to initiate, authorize, record, process, or report external financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the company's annual or interim financial statement that is more than inconsequential will not be prevented or detected (Auditing Standards No.2, paragraph 9). 3- A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the annual or interim financial statements will not be prevented or detected (Auditing Standards No. 2, paragraph 10). They came up with the followings conclusions: The more complicated the firm's transactions, the more difficult to structure adequate internal controls. The more diverse and multifaceted a firm's operations the greater the chance there will be breaches in the year-end closing and roll up procedures. Firms are more likely to have internal control deficiencies when they have recently changed organization structure either through mergers or acquisitions or through restructurings. Firms participating in down-sizing and restructurings are likely to face greater internal control risk due to personnel problems related to the segregation of duties, inadequate staffing and supervision problems.

## **Who Is Responsible for Internal Control?**

One of the main elements of Sarbanes-Oxley is management's responsibility for internal controls. Section 302 of the Act requires that chief executive and chief financial officers evaluate the design and effectiveness of internal controls on a quarterly basis and report an overall conclusion about the effectiveness of internal controls. Even though public charities are not subject to either Section 302, similar requirements could be applied to the Non-profit sector (Petrovits, April 2009). Management shall be responsible for the implementation of internal controls within the organization, meaning that it is required to establish adequate internal control policies and to regularly monitor its effective functioning of insurance. Croitoru and Vasile (2011) said: Line management is responsible for developing internal control policies in the organization of functional structures and to implement control activities arranged by the leadership of the organization, taking into account the following: - determination of the control, activities that require the implementation of internal controls; - internal control design tools suitable and appropriate manner of their implementation; -implement proper internal control; - verification of the adequacy and functionality of control and ensure that the control mechanisms are applied in full, according to necessity; - maintaining and updating the controls, which is a continuous task and it must occupy first place in the management concerns.

## **Internal Control Effectiveness**

An effective internal control system is one that exhibits certain characteristics that facilitate the evaluation and improvement of existing internal control systems by highlighting areas where the practical application of such guidelines often fails in many organizations (IFAC, 2013). However, building a strong system of internal

control involves having adequate and effectively operated mix of preventive, detective and corrective control measures. Preventive controls which include: separation of duties, proper authorization, adequate documentation, and physical control over assets are controls designed to deter unintended events (e.g. errors, omissions, irregularities, fraud, ineffective business decision making and noncompliance with laws and regulations) from occurring. Detective controls such as obtaining pre-approval on actions or transactions before they can be processed, use of document control numbers to make sure all transactions are accounted for, matching and comparing documents from different sources to ensure integrity among others help to identify or discover undesirable events that have already occurred (that is, that were not adequately prevented) while corrective controls are measures implemented to address gaps or lapses that resulted in occurrence of unintended events. Although all these types of controls are important, preventive controls are the most effective form of control. Finally, Kate Lark's theory came to suggest some of the internal controls measures that should be implemented by the organization i.e. documented policies and procedures, adequate segregation of duties and responsibilities, a culture of high ethics and integrity, adequate documentation of transactions and records, proper authorization of transactions and activities, physical and logical controls over records and assets and adequate supervisory checks (Baik, 2013).

### **Components of Internal Control**

According to Committee of Sponsoring Organizations of the Treadway Commission COSO (1992) model of internal control, it defined as activities undertaken to increase the prospect of achieving management objectives in three primary areas:

- Efficiency and effectiveness of operations

- Reliability of financial reporting
- Compliance with laws and regulations.

COSO identifies these three components is important to function an effective internal control system as: control environment, risk assessment, control activities to ensure that management objectives are achieved and risk mitigation strategies implemented, information and communication, and monitoring. Amatya (2016), in his article on "internal control system practices and its managements' responsibility in Nepalese NGO's" asserted that Nepalese NGOs are also established at the organization level to implement practical and effective internal control system which is intended to address general aspects of internal controls and consistent with the five interrelated components of internal control defined by the COSO. For example, using the descriptive statistical of different variables of internal control framework with five integrated components for the Nepalese NGOs, the mean values of each component have greater than 3.00 which indicate that Nepalese NGOs follows standard components of internal control system. According to COSO, the following must be present in order to conclude that internal control is effective; control environment, risk assessment, information and communication, control activities and monitoring.

The control environment is defined by COSO as "the set of standards, processes, and structures that provide the basis for carrying out internal control across the organization". It is well known that the control environment is influenced by the integrity, ethical values and behaviour of employees, the management style, the assignment of authority and responsibility, the organizational structure. In a small company, the impact of management actions is significantly more powerful than in the big ones, because it is assumed that the owner has a direct contact with employees more often than the management of a large company.

The risk assessment is defined by COSO as "a dynamic and iterative process for identifying and assessing risks to the achievement of objectives". Every company is subject to risks, whether they are internal risks (regarding the organizational activities) or external.

The control activities are defined as the actions established through policies and procedures that help ensure that management's directives to mitigate risks to the achievement of objectives are carried out.

There is a high diversity of control activities, depending on the entity, organizational culture, organizational structure, the number of activities, and the production structure. The most common activities are authorization, verification, reconciliations, segregation of duties and IT controls.

The fourth element of COSO model is information and communication. COSO defines communication and information as policies to carry out internal control responsibilities to support the achievement of its objectives. The communication must go in both directions: from the management to employees, and from employees to the management. Management should send a clear message to employees in supporting effective internal control, in communication of responsibilities of each employee on internal control, in participation in specific trainings.

Monitoring is defined as "ongoing evaluations, separate evaluations, or some combinations of the two used to ascertain whether each of the five components of internal control is present and functioning."

### **Internal Control Limitations**

According to COSO internal control –Integrated Framework (executive summary-May 2013), an effective system of internal control reduces, to an acceptable level, the risk of not achieving an entity objective. An effective internal control

system provides reasonable assurance regarding achievement of an entity's objectives. There is no control that is instituted by any organization that cannot be circumvented by operators. According to Adeniyi (2010), the internal control limitations could be results on the followings: •Possibility of circumvention of controls either done or through collusion with parties outside and inside the entity; •Abuse of responsibility; •Fraud; •Management override of controls; •Changes in environment making controls inadequate; •Human cleverness or ingenuity; •Potential human errors caused by stress of work load, alcohol, carelessness, distraction, mistakes of judgment and the misunderstanding of instructions; •Internal controls tend to be directed at routine transactions: the one off or unusual transaction tends not to be the subject of internal control; •A requirement that the cost of an internal control is not disproportionate to the potential loss which may result from its absence; •Poor remuneration system and •Poor working condition.

### **Non-governmental Organization/ Non-profit Organization**

A Non-governmental Organization (NGO) is an organization that operates like a business but does not seek financial gain (see Gray, et al., 2006, Unerman & O'Dwyer, 2006). This terminology has a great success at the point to be taken up by lawmakers from various countries. However, it remains extremely difficult to specify the characteristics of an NGO or simply to define it. For evidence the following definitions analysis is uplifting.

Wikipedia defines NGOs as of public interest organizations that are neither State nor an international institution. NGOs do not have the status of subject of international law. The main criteria for them are the following: the origin of their constitution, the Non-profit of their action, their financial independence, their political

independence, the concept of public interest. For Toupie (2006), an NGO is an organization of civil society, public interest or of a humanitarian nature, which is dependent on a State, or an international institution. An NGO decides independently and its resources mostly come from public or private funds.

For the Togolese Government, NGOs were created by private initiative, bringing together private individuals or legal entities, non-commercial to exercise a general interest, solidarity or voluntary cooperation for development (décret N°92-130/PMRT fixant les conditions de coopération entre les Organisations Non Gouvernementale (ONG) et le Gouvernement du 27 mai 1992). The procedure for obtaining the recognition as NGOs is governed by Decree No. 92-130/PMRT, fixing the conditions of cooperation between the Non-governmental Organizations (NGOs) and the Government on May 27, 1992. Since the implementation of the recognition of the quality of NGO activities, the Division was able to deliver a total of 716 certificates of quality of NGOs from 1998 to 2013 (PASCRENA, 2006). In general, the number of NGOs has increased steadily each year with an average of about 35 recognitions per year. 8 in 1998, reached 39 NGOs in 2012 with a tip to 71 recognitions in 2006.

### **Requirements for Charities and Societies Agency in Togo**

The Government encourages the creation of associations and groups and their bid to obtain NGO status. They exist to help the Togo Government in the process of development of the country. However, the country has no mechanism that can control the activities of NGOs. Apart from the law that authorizes the establishment of NGOs, there is lack of regulations, documentation and documents established by the Government to monitor, to evaluate, to control and to follow charity organizations and NGOs. There are no standards, no procedures, no requirement for NGOs to submit

their activity reports and financial report for verification. The failure of the Government to monitor and control resulted into a federation of NGOs called FONGTO.

FONGTO (Federation of Non-governmental organizations in Togo) which counts 157 NGOs has as objective to coordinate and direct the activities of NGOs. Yet, there is a lack of documentation and regulations governing the activities and internal control of its Members. Surprisingly, the Federation lacks binding internal control mechanism for members. Among 157 NGOs, barely 5% have a mechanism of internal control (official of the Federation). The only documentation supplied by FONGTO for this study is the list of NGOs members (repertoire FONGTO, 2016).

### **Conceptual Framework**

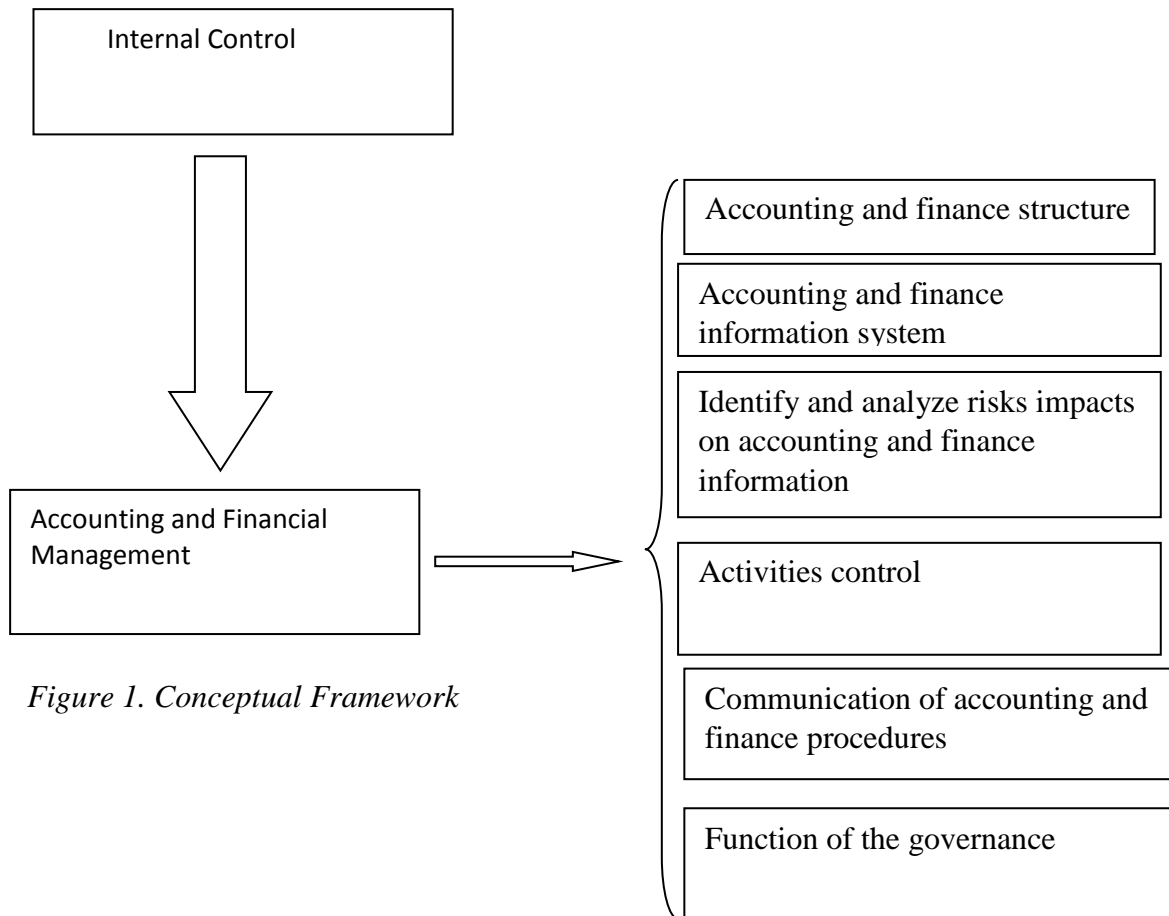
The conceptual framework of this study is drawn from COSO internal control – Integrated Framework: Executive summary (May 2013). COSO defines “internal control as a process, effected by an entity’s board of directors, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories: Effectiveness and efficiency of operations; Reliability of financial reporting and Compliance with applicable laws and regulations.”

According to this research, the last two (2) objectives of COSO's framework cited above merit special attention. The dependent variable is internal control regarding accounting and financial management, which is the variable of primary interest. The study attempts to explain the variance in this dependent variable by the six independent variables namely: (1) accounting and finance structure, (2) accounting and finance information system, (3) identify and analyze risks impacts on

accounting and finance information, (4) activities control, (5) communication of accounting and finance procedures and (6) the function of the governance.

These six independent variables are part of the questionnaire that guided this study. The questionnaire is focused on the procedures and regulations of accounting and financial internal control guided by these selected NGOs.

Accounting and finance structure refers to a manual in which accounting and finance procedures are clearly defined. Accounting and finance information is defined as an assurance that procedures are followed as planned. Risks impacts on accounting and finance information refers to mechanisms to identify and analyze impacts of risk on the system. Activities control refers to measures that monitor and evaluate the implementation of procedures and principles in place. Communication of accounting and finance procedures refers to principles defined by which accounting and finance reports are divulged. The function of the governance refers to responsibility of the board of governance regards to internal control procedures applied within the organization.



*Figure 1. Conceptual Framework*

This study assessed the level and implementation of internal control regard to accounting and finance. The model above shows how the independent variables affect the dependent variable. According to this research an effective internal control in accounting and finance should exhibit or be guided by the following independent variables: (1) accounting and finance structure, (2) accounting and finance information system, (3) identify and analyze risks impacts on accounting and finance information, (4) activities control, (5) communication of accounting and finance procedures and (6) the function of the governance.

## CHAPTER 3

### RESEARCH METHODOLOGY

This chapter focuses on the methodology. It describes the research design, population and sampling techniques, validity and reliability of the research instruments, data collection procedure and statistical treatment of data.

#### **Research Design**

This study was used quantitative descriptive study research design to examine the internal control in accounting and finance among the NGOs in Lome. According to Babbie, (2010) quantitative methods emphasize objective measurements and numerical analysis of data collected through polls, questionnaires or surveys. Quantitative research focuses on gathering numerical data and generalizing it across groups of people.

#### **Population and Sampling Procedure**

The population of this study was the NGOs in Togo. A systematic sampling procedure was used first to determine the NGOs in Lomé, from which a sample of thirty five percent (35%) was selected through non-probability sampling procedure, convenience sampling. The NGOs were selected on the basis of their accessibility.

Data was collected from each of NGO selected. The respondents were Chief Finance Officers (CFOs) and Accountants. The total number of CFO was fifty-one and eighty-one accountants. They had accounting and finance background and are permanent workers. The NGOs as expected were recognized by Togo Government by

official registration and well structured. The selected NGOs had implemented at least three projects with either national or international donors in the past three years. Lomé account five districts and one prefecture.

The questionnaires were distributed in four districts and one prefecture. Out of the three hundred and seventy-seven (377) participants targeted, the researcher only retrieved one hundred and thirty-two (132) questionnaires that were used for analyses.

### **Instrument for Data Collection**

The questionnaire was the main primary source of data. This was self-designed by the researcher based on multiple sources related to internal control questionnaires on the internet. The questionnaire has six sections. Section A assessed accounting and finance structure; Section B was designed to assess the level of accounting and financial information system; Section C, included questions to identify and analyse risks impacts on accounting and finance information; Section D for activities control; Section E was about the communication of accounting and finance procedures; Section F to assess the function of the governance.

Since the questionnaire used dichotomous questions that asked for a Yes/No responses, the instrument was not tested for reliability. However, the questionnaire was submitted to accounting experts to ensure face validity of the instrument.

### **Ethical Considerations**

A formal request was made to each NGO to ensure informed consent from top administration. Furthermore, each respondent was asked to participate in the study, but was not forced to do so. The responses of respondents were kept strictly confidential. The names and the completed questionnaires were not made available to anyone apart of the research team.

### **Data Collection Procedures**

Upon approval of the research proposal by the MBA Research Committee Adventist University Africa, a formal request was made to each participating NGO to ensure informed consent from top administration. After subsequent approval, the questionnaires were distributed to the individual respondents and were given one week to respond to the questionnaire.

### **Method of Data Analysis**

Research questions were mainly analyzed using descriptive statistics such as frequencies, percentages. Data gathered was coded and was analyzed using the Statistical Package for Social Scientists (SPSS) software version 22.0. This tool was employed to organize and tabulate the data collected.

## CHAPTER 4

### PRESENTATION OF RESULTS AND DISCUSSIONS

This chapter presents the findings, analysis, and interpretation of data gathered to assess the level of accounting and financial management internal control and application plan in selected NGOs in Lomé, Togo. The data was collected from 132 respondents of the 377 sampled. Findings, analysis and interpretations were presented according to the research questions.

#### **Accounting and Finance Structure**

The responses of this section were to assess how well NGOs were structured regarding to accounting and finance. This is presented through questions in Table 1 below.

*Table 1. Frequency Distribution of Accounting Procedures Manual*  
n=132

Questions	Yes		No		Not sure	
	<i>f</i>	%	<i>f</i>	%	<i>f</i>	%
Is there a manual of accounting procedures?	58	43.9	71	53.8	3	2.3
Is there a manual of accounting principles specifying the accounting treatment of the most important operations?	51	38.6	75	56.8	6	4.5
The accounting procedures manual contains instructions describing the allocations of responsibilities of executions under the accounting tasks?	58	43.9	74	56.1		
Are those responsible for the preparation of the accounts clearly identified?	57	43.2	43	36.2	32	24.2
Are officials of the financial information identified?	58	43.9	68	51.5	6	4.5
Is there a proper segregation of tasks between approval (authorization) of the expenditure and the payment?	103	78.0	29	22.0		
Are there Procurement policy and procedures?	75	56.8	51	38.6	6	4.5

Table 1 above indicates that 132 respondents who participated in this study indicated that the majority (71, 53.8%) of the persons in charge of accounting and finance recognized that there was no manual of accounting procedures. Followed by the respondents (58, 43.9%) who admitted the existing of a manual of accounting procedures. Three persons were not sure means that they may have or not have. We concluded that out of 132 NGOs the majority have not a manual of accounting procedures.

Table 1 above indicate that out of the 132 respondents who participated in the study, 75 (56.8%) said that accounting principles specifying the accounting treatment of the most important operations are not in place. However, 51 (38.6%) respondents

said the principles regarding to the most important operations exist and 6 (4.5%) respondents were not sure. It was to deduce that most of NGOs have not.

The results as reflected in Table 1 above indicates that the highest numbers of respondents 74 (56.1%) admitted that the allocation of executions under the accounting tasks did not exist against 58 (43.9%) who acknowledged the existing of this one.

From the information revealed by the Table 1 above, there are serious issues about those responsible for the preparation of the accounts. The figures indicated that out of 132 respondents only 57 (43.2%) respondents were agreed against 43 (36.2%) and 32 (24.2%) were not sure.

Table 1 above show that out of 132 respondents who answered this question number five, more than the half 68 (51.5%) said no against 58 (43.9%) who said yes and follow by 6 who said not sure.

Table 1 above show that out of 132 respondents who responded this question number six in this section, more than hundred 103 (78.0%) confirmed that they have a proper segregation of tasks. A few respondents 29 (22.0%) but not negligible acknowledged that they have not. Thus, the majority of NGOs have a proper segregation of tasks between approval of the expenditure and the payment.

Table 1 above show that out of 132 respondents who responded this question number seven, more than the half 75 (56.8%) responded positively against 51 (38.6%) who responded negatively and follow by 6 who were not sure. Though the majority of NGOs acknowledged the existence of this procurement policy, there was significant number of respondents who have not any.

## Accounting and Financial Information System

The responses of this section help to understand and assess the information system policies in place regard to accounting and finance.

*Table 2. Frequency Distribution of Accounting and Financial Information System  
n=132*

Questions	Yes		No		Not sure	
	<i>f</i>	%	<i>f</i>	%	<i>f</i>	%
Are accounting and financial procedures developed with aimed at meeting reliability requirements?	120	90.9	12	9.1	-	-
Is information relating to the financial and accounting information systems adapted to evolve with the needs of the Organization?	89	67.4	43	32.6	-	-
The Management ensured that obligations for producing accounting and financial Statements were met?	97	73.5	32	24.2	3	2.3
Does accounting and financial internal control put in place operates as expected?	54	40.9	63	47.7	15	11.4

The findings in Table 2 above indicate that 120 of respondents (90.9%) out of 132 respondents responded positively and only 12 (9.1%) had responded negatively.

More so, more than half of the respondents ( $f = 89$ , 67.4%) said yes against 43 (32.6%) who said no. Though the majority of NGOs acknowledged the existence of this procedures, there was significant number who declared that they do not have it.

Again, more than the half of the respondents 97 ( $f = 97$ , 73.5%) said yes against 32 (24.2%) who said no. Though the majority of NGOs acknowledged the

existence of this procedures, there is significant number declare that the direction was indifferent regard to this task.

Further more, the findings demonstrate that out of 132 respondents, only 54 (40.9%) of respondents confirmed that accounting and financial internal control put in place operates as expected and 15 (11.4%) respondents were not even sure.

### **Identify and Analyse Risks Impacts on Accounting and Finance Information**

Table 3 presents the results of risks impact and adequate preventive measures when it comes to accounting and financial information.

*Table 3. Frequency Distribution to Identify Risks Impacts on Accounting and Finance Information*  
n=132

Questions	Yes		No		Not sure	
	<i>f</i>	%	<i>f</i>	%	<b>F</b>	%
Are devices set up to identify the main risks that may affect the process of preparation of the accounts?	56	42.4	67	50.8	9	6.8
Are there specific systems of internal accounting and financial control procedures to reduce the risk of errors and fraud?	52	39.4	71	53.8	9	6.8
Are adequate preventive measures being taken to prevent all the risks related to internal accounting and financial control?	49	37.1	74	56.1	9	6.8
Are duties separated so that no one individual has complete authority over an entire financial transaction (for example accountant is the cashier)?	49	37.1	80	60.6	3	2.3
Are measures taken to have several signatories for bank transactions in order to avoid fraud?	60	45.5	66	50.0	6	4.5
Are tasks or incompatible functions (approval and execution) segregated by Management?	93	70.5	30	22.7	9	6.8

Table 3 shows that 67 (50.8%) of the respondents agreed that are no devices in place to identify the main risks that may affect the process of preparation of the accounts. 56 (42.4%) confirmed that devices are set up to identify the main risks that may affect the process of preparation of the accounts and 9 (6.8%) respondents were not sure.

Also, 71 (53.8%) of those who participated on this study acknowledged that there are no specific systems of internal accounting and financial control procedures in place to reduce the risks of errors and fraud and 9 (6.8%) respondents were not sure.

According to Table 3, the majority of respondents ( $f=74$ , 56.1%) answered there was no adequate preventive measures to prevent risk associate to internal control regard to accounting and finance. 49 (37.1%) said yes and 9 respondents were not sure.

Table 3 above show in question 4 that out of 132 respondents who participated this study, 80 (60.6%) said that one person has complete authority over an entire financial transaction. 49 (37.1%) responded that the authority over an entire financial transaction were separated and 3 respondents were not sure. The majority who said no were very significant regard to this study.

In addition, 66 of the respondents (50.0%) who responded no, s 60 (45.5%) who responded yes and 6 (4.5%) were not sure when asked “*Are measures taken to have several signatories for bank transactions in order to avoid fraud?*” Thus, the risk to avoid fraud was very less. However, the majority of the respondents ( $f= 93$ , 70.5%) confirmed that approval and execution are segregated by management and only 30 (22.7%) said that there was no segregation between approval and execution. The results seem contradictory. A clover analysis of these two questions should be interpreted on same way then should conducted to have the same findings. The questions were addressing the same problem, segregation of duties.

## Activities Control

The respondents were asked to indicate their level of agreement with the following questions that relate to the assessment of activities control system of their organizations. The results are presented in Table 4.

*Table 4.* Frequency distribution of Activities Control  
n=132

Questions	Yes		No		Not sure	
	<i>f</i>	%	<i>f</i>	%	<i>f</i>	%
Are there regular checks to ensure that the manual of accounting principles is followed in practice?	36	27.3	90	68.2	6	4.5
Are duties separated so that no one individual has complete authority over an entire financial transaction	108	81.8	21	15.9	3	2.3
Does the activity of internal accounting and financial control procedures exist to ensure the preservation of assets (internal risk of negligence, errors and fraud)?	58	43.9	71	53.8	3	2.3
Financial reporting (financial statements) are presented accurately?	108	81.8	18	13.6	6	4.5
Are the persons responsible for receiving and inspecting goods received separate from those responsible for requisitioning goods or initiating accounting transactions?	90	68.2	27	20.5	15	11.4
Accounting Books, financial reports are frequently (annual) audited by certified firms or independent auditors?	71	53.8	58	43.9	3	2.3
Does Management perform periodic review of policies and procedures to determine their continued relevance, and refreshes them when necessary?	55	41.7	77	58.3		

Table 4 demonstrates that there is a serious problem when it comes to implementing in practice what has been written in the manual of accounting and finance. 90 respondents admitted that there were no regular checks against only 36 respondents who agreed that there were some regular checks. 6 out of 132 did not know if there was regular check or not. This high percentage of 68.2% shown in Table 4 above is an indicator that the application in practice was serious issue.

The results in Table 4 also show that there is separation or segregation of duties ( $f = 108$ , 81.8%). Unfortunately, there seems to be a contradiction between question four (4) and question six (6) in Table 3 and second (2) question in Table 4. As far as these questions addressed the same issues such as duties segregation, it should point out the same findings.

The results in Table 4 show that more than half respondents ( $f = 71$ , 53.8%) acknowledged that there was no activity of internal control as regards to accounting and finance to prevent fraud, negligence on organization assets against 58 (43.9%) who answered positively.

Table 4 also shows that 108 (81.8%) respondents out of 132 asserted that the financial statements are presented accurately and only 18 (13.6%) were not agree and 6 (4.5%) were not sure. Besides, when asked “*Are the persons responsible for receiving and inspecting goods received separate from those responsible for requisitioning goods or initiating accounting transactions?*” a high percentage of 68.2% respondents responded yes against 20.5% who said no. The negative answer is negligible due to the nature of this study.

In addition, only 53.8% respondents admitted that the books, financial reports are annually audited against 43.9% respondents who said no. These negative answers are much significant in this internal control regard to accounting and finance. Table 4

above also shows that there is a problem when it comes to periodic review of policies and procedures. 77 (58.3%) respondents out of 132 respondents said no against 55 (41.7) respondents who said yes.

### **Communication of Accounting and Finance Procedures**

The respondents were asked to indicate their level of agreement with the following questions that relate to the assessment of communication of accounting and finance procedures of their organizations. Table 5 shows the results.

*Table 5. Frequency Distribution of Communication of Accounting and Finance Procedures*  
n=132

<b>Questions</b>	Yes		No		Not sure	
	<i>f</i>	%	<i>f</i>	%	<i>f</i>	%
Are procedures put in place for communicating the financial and accounting information?	99	75.0	30	22.7	3	2.3
Have procedures been defined, validated by the management of the Organization for communicating the financial and accounting information?	93	70.5	33	25.0	6	4.5
Is there a periodic schedule for accounting and financial disclosure to partners of the Organization?	49	37.1	74	56.1	9	6.8
Is there a procedure providing for the control of accounting and financial information prior to communication?	108	81.8	21	15.9	3	2.3
Are all employees aware of the procedures of internal control?	99	75.0	27	20.5	6	4.5
Are the procedures and updates often communicated to employees?	105	79.5	21	15.9	6	4.5

Table 5 indicates that 75% of the respondents asserted that there were procedures in place for communicating the financial and accounting information. On the other hand, there was significant percentage of respondents (22.7%) who said no.

More so, 70.5% of the respondents acknowledged that procedures have been defined, validated for communicating the financial and accounting information.

However, a significant percentage of respondents (25.0%) who said no.

In addition, out of 132 respondents, 49 respondents said yes against 74 respondents said no to the question “*Is there a periodic schedule for accounting and financial disclosure to partners of the Organization?*”. Specific to this study, the number of respondents who indicated ‘no’ or ‘not sure’ is very much significant.

According to question four as shown in Table 5 above, 108 (81.8%) out of 132 respondents acknowledged that there was a procedure before communicating accounting and financial information but 21 (15.9%) respondents said there was not and 3 (2.3%) respondents were not sure. Table 5 also revealed that, out of 132 respondents, 99 (75.0%) respondents acknowledged that all employees were aware of internal control procedures regard to accounting and finance. 27 (20.5%) respondents did not agree and 6 (4.5%) respondents were not sure. 105 respondents acknowledged that the updates of procedures are often communicate to employees but 21 respondents asserted that there was no communication when updates the procedures and 6 respondents were not sure.

### **The Function of the Governance**

The respondents were asked to indicate the level of their Organizations Board regard to internal control policies and procedures. The respondents have to indicate if their organization has board of directors. To this they responded as displayed in Table

Table 6. Frequency distribution of the Function of the Governance  
n=132

Questions	Yes		No		Not sure	
	<i>f</i>	%	<i>f</i>	%	<i>f</i>	%
The Organization has a Board of Directors for governance?	108	81.8	15	11.4	9	6.8
The accounting and finance principles were validated by the Board of Directors?	96	72.7	24	18.2	12	9.1
The Board of Directors has an audit committee to ensure the reliability of the financial statements of the Organization?	87	65.9	36	27.3	9	6.8
The Board establishes the committee that oversees internal control over financial reporting and the integrity and transparency of those reports?	93	70.5	30	22.7	9	6.8

According to the findings on Table 6, it is clearly evident that almost all respondents acknowledged that their organizations were led by the board of directors as reflected by frequency of 108 (81.8%). Moreover 15 (11.4%) did not acknowledge it followed by 9 said neither yes nor no.

The respondents were asked to indicate the board of directors' approval when apply principles of accounting and finance. 96 (72.7%) of the total number of respondents asserted that accounting and finance principles were validated by the board of directors. 24 (18.2%) of the respondents said no and followed by 12 (9.1%) were not sure.

The respondents were asked to indicate if the board of directors has established an audit committee for finance statements reliably when apply principles of accounting and finance. It appears that 87 (65.9%) of the total respondents

responded yes and 36 (27.3%) out of 132 respondents said no and follow by 9 (6.8%) were not sure. Even though the majority identified an audit committee, the number of 36 respondents who indicated no is much significant.

The respondents were asked to indicate if the board of directors has established committee that oversees internal control over financial reporting and the integrity and transparency of those reports. The Table 6 above shows clearly that the majority of respondents 93 (70.5%) responded positively and 30 (22.7%) respondents responded negatively follow by 9 (6.8%) doubtful respondents.

With the unique aim to better understand the relevance of this study and to answer the research questions, the researcher of this study offers another approach to analysis of the data received. This approach was to cross the questions in the questionnaire with the first question of questionnaire (see Table 1) above. Other questions answered apart from the question of existence of accounting and financial procedures manual should all parts of this manual. Let's not forget that the research revolves around accounting and financial procedures manual and their application in organizations. If so it was useful to know the relationship among variables regard to accounting and financial manual.

### **Relationship between Accounting and Financial Manual vs Other Variables in Questionnaire**

The Tables in (Appendix III) were to point out the relationship between variables. It measured how other variables in questionnaire interrelated with an existence of an accounting and financial manual. This research study also want to measure the influence of the variable, manual of accounting procedures on the other variables of the questionnaire. Have an accounting manual has an impact when

comes to apply policies and procedures. To this they responded as provided in Tables in Appendix III.

Each table show clearly surprising that the majority of respondents 71 (53.8%) acknowledged negatively against the respondents who asserted positively 58 (43.9%) and 3 (2.3%) respondents responded not sure. The relationship between an existence of accounting and finance manual and others variables in this questionnaire has same findings.

### **Steps Needed to Build Effective Internal Control: Application Plan**

The analysis of the findings from this study have revealed the fragility of NGOs selected as well as those who have and not have an accounting and financial procedures manual. Indeed, there is therefore the need to build the internal control regard to accounting and finance to make these strong and viable NGOs. An effective internal control system provides the foundation for corporate governance. The following steps are necessary:

- Monitoring: it refers to the process of self-auditing within the internal control system and includes assessing whether the control environment is satisfactory, whether risk assessment is timely and accurate, and whether information and communication systems include the proper items. Monitoring would be conducted by the top management or independent audit firm mandated by the board Committee.
- Self-auditing: Is to implement a mechanism under which accounting and finance department monitor itself, make necessary modifications to compensate for changes, to improve the quality and effectiveness.
- Creating an accounting and finance internal control system task force.

- A periodical review for updating the manual for those acknowledge that they have
- As different control methods would be used for different organizational structures, in this event, each organization's accounting and finance internal control should be designed with practical used mind by top management.
- This study research has to propose a draft sample for accounting and finance manual policies, procedures and application plan for these selected NGOs.  
With this sample as model, the selected NGOs should be capable to build their own then enhance their internal control regard to accounting and finance.

## CHAPTER 5

### SUMMARY CONCLUSIONS AND RECOMENDATIIONS

This chapter presents the summary of the findings, conclusions drawn from them and the recommendations. The implications of the research are discussed and suggestions made on areas of further study. Some recommendations for all selected NGOs proposed by this study at the end of the chapter to enlighten and enable them to craft viable internal control regard to accounting and finance. Regarding to the problem statement based on the research findings, the overall objective of this study was to assess accounting and finance manual, examine policies and procedures and the practice of internal controls systems for Non-governmental organizations in Lomé. The specific objectives of the study were to answer questions as follow: What are the principles underlying an effective internal controls system that are practiced in the selected NGO? What challenges are selected NGOs confronted with when applying effective internal controls in their operations? What steps are needed to build effective internal control in selected NGOs in Togo?

#### **Summary of findings**

This section presents the summarized findings based on the study objectives or questions as established at the beginning of the study. According to COSO, an organization effective internal controls are based on five pillars such as control environment, risk assessment, control activities, information and communication and

monitoring. This research study was aligned in consideration of internal controls pillars. Through a descriptive design, the findings of the study can be summarized as follows:

The study revealed that organizational internal control regarding to accounting and finance was not in place in these selected NGOs. The study showed that there were number of procedures, policies that commonly were not apply. These are instructions describing the allocations of responsibilities of execution under the accounting tasks, procedures to reduce the risk of errors and fraud, duties separation so that one individual has complete authority over entire financial transaction, several signatories for bank transactions in order to avoid fraud, monitoring of accounting manual principles in practice.

The first and most challenge was that the manual of accounting and finance did not exist in several selected NGOS. A majority of respondents declared that they were not use the manual. Those who declare has accounting and financial manual did not master the content and the procedures when applying the manual. This research study assumed that most of accounting and finance manual do not have the application details.

The study found out that there are challenges in implementation of accounting and financial internal control; the principles, the policies and procedures are not operate as expected.

Though the minority of these NGOs have recognized formal existence which is a manual of accounting and financial according to survey findings. The majority of NGOs seem to use these principles in an informal manner that is unwritten.

## **Conclusions**

Based on the study findings, it is concluded that among these selected NGOs in Lomé, several have not accounting and finance manual. Thus, the selected NGOs did not have strong organizational internal control regard to accounting and finance and this leads to an ill-defined execution even of accountant and finance director jobs descriptions.

Even the study revealed that employees were aware or informed in regard to accounting and finance principles and their periodic review, the contradiction between some study findings such duties segregation and expenditures approval demonstrated that some respondents were not able or capable to understand the duties and responsibility assigned as accountant or finance director. With this fact, there are challenges in the implementation of organizational controls in accounting and financial principles, policies and procedures. From the findings, this research study revealed that in general the board of directors were well operated though there was a significant number of respondents regard to accounting and finance internal control acknowledged that they did not have it.

## **Recommendations**

Considering this study research findings and conclusions, this study makes the following recommendations with respect to accounting and financial management and application in selected NGOs in Lomé:

- 1) The study recommends that NGOs should have internal control manual regard to accounting and finance. This manual should at least content a commonly standard expressed in the research questionnaire such as:
  - Principles specifying the accounting treatment of the most important operations

- Instructions describing the allocations of responsibilities
  - Principles of proper segregation of tasks between approval and execution
  - Procurement procedures and principles
  - Preservation of assets
  - Policy on audit
- 2) The study recommends a periodic review of policies and procedures by management regard to accounting and finance internal control
  - 3) The study recommends the follow-up on Board Directors decisions
  - 4) The study recommends an evaluation of accounting and finance procedures by the Board of Directors
  - 5) This study recommends the sample draft of finance policies and application plan.

### **Suggestions for Future Research**

The following areas are suggested for further study

- 1) This study research was conducted in selected NGOs in Lomé, but it can be replicated in different geographical contexts in the country to find out the level of an accounting and financial management internal control.
- 2) The influence of internal control regard to accounting and finance on financial performance of these selected NGOs.
- 3) Challenges of accounting and financial manual application in NGOs.

## APPENDICES

APPENDIX A  
QUESTIONNAIRE

Dear Participant,

This questionnaire is designed to study aspects of internal control of accounting and financial management. The information you provide will help us better understand the quality of accounting and financial management internal control you have at your organization. Because you are the one who can give us a correct picture of how organization performing regard to accounting and financial internal control, I request you to respond to the questions frankly and honestly.

Your response will be kept strictly confidential. The names and the completed questionnaires will not be made available to anyone. A summary of the results will be available to you after the data are analyzed.

Thank you very much for your time and cooperation. I greatly appreciate the help of your organization and yourself in furthering this research endeavor.

Kouku Bagna, MBA Student, Adventist University of Africa

<b>A/ ACCOUNTING AND FINANCE STRUCTURE</b>	Yes Oui	No Non	Not sure Pas sùre
1- Is there a manual of accounting procedures?			
2- Is there a manual of accounting principles specifying the accounting treatment of the most important operations?			
3- The accounting procedures manual contains instructions describing the allocations of responsibilities of executions under the accounting tasks?			
4- Are those responsible for the preparation of the accounts clearly identified?			
5- Are officials of the financial information identified?			

<b>6- Is there a proper segregation of tasks between approval (authorization) of the expenditure and the payment?</b>			
<b>7- Are there Procurement policy and procedures?</b>			
<b>B/ ACCOUNTING AND FINANCIAL SYSTEM</b>	Yes Oui	No Non	Not sure Pas sûre
<b>1- Are accounting and financial procedures developed with aimed at meeting reliability requirements?</b>			
<b>2- Is information relating to the financial and accounting information systems adapted to evolve with the needs of the Organization?</b>			
<b>3- The direction ensured that obligations for producing accounting and financial Statements were met?</b>			
<b>4- Does accounting and financial internal control put in place operates as expected?</b>			
<b>C/ IDENTIFY AND ANALYZE RISKS IMPACTS ON ACCOUNTING AND FINANCE INFORMATION</b>	Yes Oui	No Non	Not sure Pas sûre
<b>1- Are devices set up to identify the main risks that may affect the process of preparation of the accounts?</b>			
<b>2- Are there specific systems of internal accounting and financial control procedures to reduce the risk of errors and fraud?</b>			
<b>3- Are adequate preventive measures being taken to prevent all the risks related to internal accounting and financial control?</b>			
<b>4- Are duties separated so that no one individual has complete authority over an entire financial transaction (for example accountant is the cashier)?</b>			
<b>5- Are measures taken to have several signatories for bank transactions in order to avoid fraud?</b>			
<b>6- Are tasks or incompatible functions (approval and execution) segregated by Management?</b>			
<b>D/ ACTIVITIES CONTROL</b>	Yes Oui	No Non	Not sure Pas

			sûre
<b>1- Are there regular checks to ensure that the manual of accounting principles are followed in practice?</b>			
<b>2- Are duties separated so that no one individual has complete authority over an entire financial transaction</b>			
<b>3- Does the activity of internal accounting and financial control procedures exist to ensure the preservation of assets (internal risk of negligence, errors and fraud)?</b>			
<b>4- Financial reporting (financial statements) are presented accurately?</b>			
<b>5- Are the persons responsible for receiving and inspecting goods received separate from those responsible for requisitioning goods or initiating accounting transactions?</b>			
<b>6- Accounting Books, financial reports are frequently (annual) audited by certified firms or independent auditors?</b>			
<b>7- Does Management performs periodic review of policies and procedures to determine their continued relevance, and refreshes them when necessary?</b>			
<b>E/ COMMUNICATION OF ACCOUNTING AND FINANCE PROCEDURES</b>	Yes Oui	No Non	Not sure Pas sûre
<b>1- Are procedures put in place for communicating the financial and accounting information?</b>			
<b>2- Have procedures been defined, validated by the management of the Organization for communicating the financial and accounting information?</b>			
<b>3- Is there a periodic schedule for accounting and financial disclosure to partners of the Organization?</b>			
<b>4- Is there a procedure providing for the control of accounting and financial information prior to communication?</b>			
<b>5- Are all employees aware of the procedures of internal control?</b>			
<b>6- Are the procedures and updates often communicated to employees?</b>			

<b>F/ THE FUNCTION OF THE GOVERNANCE</b>	Yes Oui	No Non	Not sure Pas sûre
<b>1- The Organization has a Board of Directors for governance?</b>			
<b>2- The accounting and finance principles were validated by the Board of Directors?</b>			
<b>3- The Board of Directors has an audit committee to ensure the reliability of the financial statements of the Organization?</b>			
<b>4- The Board establishes the committee that oversees internal control over financial reporting and the integrity and transparency of those reports?</b>			

APPENDIX B

RAW DATA

**Manual of accounting procedures and a manual of accounting specifying the most important operation**

		Is there a manuel of accounting principles specifying the accounting treatment of the most important operation?						Total	
		Oui/Yes		Non/No		Pas s <sup>u</sup> re/Not sure			
		Effectif	% du total	Effectif	% du total	Effectif	% du total	Effec tif	% du total
Is there a manual of accounting procedures?	Oui/Yes	51	38,6%	5	3,8%	2	1,5%	58	43,9%
	Non/No	0	0,0%	67	50,8%	4	3,0%	71	53,8%
	Pas s <sup>u</sup> re/Not sure	0	0,0%	3	2,3%	0	0,0%	3	2,3%
Total		51	38,6%	75	56,8%	6	4,5%	132	100,0 %

**Manual of accounting and the allocations of responsibilities under the accounting tasks**

		The accounting procedures manual contains instructions describing the allocations of responsibilities of executions under the accounting tasks?				Total	
		Oui/Yes		Non/No			
		Effectif	% du total	Effectif	% du total	Effectif	% du total
Is there a manual of accounting procedures?	Oui/Yes	47	35,6%	11	8,3%	58	43,9%
	Non/No	11	8,3%	60	45,5%	71	53,8%
	Pas sûre/Not sure	0	0,0%	3	2,3%	3	2,3%
Total		58	43,9%	74	56,1%	132	100,0%

**Manual of accounting and the responsible of the preparation of the accounts**

		Are those responsible for the preparation of the accounts clearly identified?						Total	
		Oui/Yes		Non/No		Pas sûre/Not sure			
		Effectif	% du total	Effectif	% du total	Effectif	% du total	Effectif	% du total
Is there a manual of accounting procedures?	Oui/Yes	46	34,8%	5	3,8%	7	5,3%	58	43,9%
	Non/No	11	8,3%	35	26,5%	25	18,9%	71	53,8%
	Pas sûre/Not sure	0	0,0%	3	2,3%	0	0,0%	3	2,3%
Total		57	43,2%	43	32,6%	32	24,2%	132	100,0%

### Accounting Manual and identification of officials of the financial information

		Are officials of the financial information identified?						Total	
		Oui/Yes		Non/No		Pas sûre/Not sure			
		Effectif	% du total	Effectif	% du total	Effectif	% du total	Effectif	% du total
Is there a manual of accounting procedures?	Oui/Yes	46	34,8%	10	7,6%	2	1,5%	58	43,9%
	Non/No	12	9,1%	55	41,7%	4	3,0%	71	53,8%
	Pas sûre/Not sure	0	0,0%	3	2,3%	0	0,0%	3	2,3%
Total		58	43,9%	68	51,5%	6	4,5%	132	100,0%

### Accounting Manual and segregation of tasks between approval and payment

		Is there a proper segregation of tasks between approval (authorization) of the expenditure and the payment?				Total	
		Oui/Yes		Non/No			
		Effectif	% du total	Effectif	% du total	Effectif	% du total
Is there a manual of accounting procedures?	Oui/Yes	51	38,6%	7	5,3%	58	43,9%
	Non/No	52	39,4%	19	14,4%	71	53,8%
	Pas sûre/Not sure	0	0,0%	3	2,3%	3	2,3%
Total		103	78,0%	29	22,0%	132	100,0%

### Accounting Manual and procurement policy and procedures

		Are there procurement policy and procedures?						Total	
		Oui/Yes		Non/No		pas sûre/Not sure			
		Effectif	% du total	Effectif	% du total	Effectif	% du total	Effectif	% du total
Is there a manual of accounting procedures?	Oui/Yes	42	31,8%	13	9,8%	3	2,3%	58	43,9%
	Non/No	33	25,0%	35	26,5%	3	2,3%	71	53,8%
	Pas sûre/Not sure	0	0,0%	3	2,3%	0	0,0%	3	2,3%
Total		75	56,8%	51	38,6%	6	4,5%	132	100,0%

### Accounting Manual and accounting and financial procedures reliability requirement

		Are accounting and financial procedures developed with aimed a meeting reliability requirement?				Total	
		Oui/Yes		Non/No			
		Effectif	% du total	Effectif	% du total	Effectif	% du total
Is there a manual of accounting procedures?	Oui/Yes	55	41,7%	3	2,3%	58	43,9%
	Non/No	62	47,0%	9	6,8%	71	53,8%
	Pas sûre/Not sure	3	2,3%	0	0,0%	3	2,3%
Total		120	90,9%	12	9,1%	132	100,0%

**Accounting Manual and the financial and accounting information evolve the needs of the organization**

		Is information relating to the financial and accounting information systems adapted to evolve with the needs of the organization?				Total	
		Oui/Yes		Non/No			
		Effectif	% du total	Effectif	% du total	Effectif	% du total
Is there a manual of accounting procedures?	Oui/Yes	45	34,1%	13	9,8%	58	43,9%
	Non/No	42	31,8%	29	22,0%	71	53,8%
	Pas sûre/Not sure	2	1,5%	1	0,8%	3	2,3%
Total		89	67,4%	43	32,6%	132	100,0%

**Accounting Manual and obligation for producing accounting and financial statements**

		The direction ensured that obligations for producing accounting and financial statements were met?						Total	
		Oui/Yes		Non/No		Pas sûre/Not sure			
		Effectif	% du total	Effectif	% du total	Effectif	% du total	Effectif	% du total
Is there a manual of accounting procedures?	Oui/Yes	47	35,6%	10	7,6%	1	0,8%	58	43,9%
	Non/No	47	35,6%	22	16,7%	2	1,5%	71	53,8%
	Pas sûre/Not sure	3	2,3%	0	0,0%	0	0,0%	3	2,3%
Total		97	73,5%	32	24,2%	3	2,3%	132	100,0%

**Accounting Manual and accounting and financial internal control operate as expected**

		Does accounting and financial internal control put in place operates as expected?						Total	
		Oui/Yes		Non/No		Pas sûre/Not sure			
		Effectif	% du total	Effectif	% du total	Effectif	% du total	Effectif	% du total
Is there a manual of accounting procedures?	Oui/Yes	34	25,8%	17	12,9%	7	5,3%	58	43,9%
	Non/No	20	15,2%	46	34,8%	5	3,8%	71	53,8%
	Pas sûre/Not sure	0	0,0%	0	0,0%	3	2,3%	3	2,3%
Total		54	40,9%	63	47,7%	15	11,4%	132	100,0%

**Accounting Manual and identification of risk affecting the preparation of the accounts**

		Are devices set up to identify the main risks that may affect the process of preparation of the accounts?						Total	
		Oui/Yes		Non/No		pas sûre/Not sure			
		Effectif	% du total	Effectif	% du total	Effectif	% du total	Effectif	% du total
Is there a manual of accounting procedures?	Oui/Yes	30	22,7%	24	18,2%	4	3,0%	58	43,9%
	Non/No	26	19,7%	40	30,3%	5	3,8%	71	53,8%
	Pas sûre/Not sure	0	0,0%	3	2,3%	0	0,0%	3	2,3%
Total		56	42,4%	67	50,8%	9	6,8%	132	100,0%

### Accounting Manual and reducing of the risk of errors and fraud

		Are there specific systems of internal accounting and financial control procedures to reduce the risk of errors and fraud?						Total	
		Oui/Yes		Non/No		Pas s�re/Not sure			
		Effectif	% du total	Effectif	% du total	Effectif	% du total	Effectif	% du total
Is there a manual of accounting procedures?	Oui/Yes	30	22,7%	25	18,9%	3	2,3%	58	43,9%
	Non/No	22	16,7%	43	32,6%	6	4,5%	71	53,8%
	Pas s�re/Not sure	0	0,0%	3	2,3%	0	0,0%	3	2,3%
Total		52	39,4%	71	53,8%	9	6,8%	132	100,0 %

### Accounting Manual and adequate preventive measures of risks related to internal accounting and financial control

		Are adequate preventive measures being taken to prevent all the risks related to internal accounting and financial control?						Total	
		Oui/Yes		Non/No		Pas s�re/Not sure			
		Effectif	% du total	Effectif	% du total	Effectif	% du total	Effectif	% du total
Is there a manual of accounting procedures?	Oui/Yes	29	22,0%	26	19,7%	3	2,3%	58	43,9%
	Non/No	20	15,2%	45	34,1%	6	4,5%	71	53,8%
	Pas s�re/Not sure	0	0,0%	3	2,3%	0	0,0%	3	2,3%
Total		49	37,1%	74	56,1%	9	6,8%	132	100,0 %

### Accounting Manual and duties separation

		Are duties separated so that no one individual has complete authority over an entire financial transaction?						Total	
		Oui/Yes		Non/No		Pas sùre/Not sure			
		Effectif	% du total	Effectif	% du total	Effectif	% du total	Effectif	% du total
Is there a manual of accounting procedures?	Oui/Yes	29	22,0%	29	22,0%	0	0,0%	58	43,9%
	Non/No	20	15,2%	48	36,4%	3	2,3%	71	53,8%
	Pas sùre/Not sure	0	0,0%	3	2,3%	0	0,0%	3	2,3%
Total		49	37,1%	80	60,6%	3	2,3%	132	100,0%

### Accounting Manual and several signatories for bank transactions to avoid fraud

		Are measures taken to have several signatories for bank transactions in order to avoid fraud?						Total	
		Oui/Yes		Non/No		Pas sùre/Not sure			
		Effectif	% du total	Effectif	% du total	Effectif	% du total	Effectif	% du total
Is there a manual of accounting procedures?	Oui/Yes	34	25,8%	23	17,4%	1	0,8%	58	43,9%
	Non/No	26	19,7%	43	32,6%	2	1,5%	71	53,8%
	Pas sùre/Not sure	0	0,0%	0	0,0%	3	2,3%	3	2,3%
Total		60	45,5%	66	50,0%	6	4,5%	132	100,0%

**Accounting Manual and approval and execution (tasks incompatible) by management**

		Are tasks or incompatible functions (approval and execution) segregated by management?						Total	
		Oui/Yes		Non/No		pas s <sup>u</sup> re/Not sure			
		Effectif	% du total	Effectif	% du total	Effectif	% du total	Effectif	% du total
Is there a manual of accounting procedures?	Oui/Yes	44	33,3%	9	6,8%	5	3,8%	58	43,9%
	Non/No	46	34,8%	21	15,9%	4	3,0%	71	53,8%
	Pas s <sup>u</sup> re/Not sure	3	2,3%	0	0,0%	0	0,0%	3	2,3%
Total		93	70,5%	30	22,7%	9	6,8%	132	100,0%

**Accounting Manual and Monitoring of accounting principles in practice**

		Are there regular checks to ensure that the manual of accounting principles are followed in practice?						Total	
		Oui/Yes		Non/No		Pas s <sup>u</sup> re/Not sure			
		Effectif	% du total	Effectif	% du total	Effectif	% du total	Effectif	% du total
Is there a manual of accounting procedures?	Oui/Yes	22	16,7%	33	25,0%	3	2,3%	58	43,9%
	Non/No	14	10,6%	54	40,9%	3	2,3%	71	53,8%
	Pas s <sup>u</sup> re/Not sure	0	0,0%	3	2,3%	0	0,0%	3	2,3%
Total		36	27,3%	90	68,2%	6	4,5%	132	100,0%

**Accounting Manual and existence of internal accounting and financial control procedures to preserve assets**

		Does the activity of internal accounting and financial control procedures exist to ensure the preservation of assets (internal risk of negligence, errors and fraud)?						Total	
		Oui/Yes		Non/No		Pas sûre/Not sure			
		Effectif	% du total	Effectif	% du total	Effectif	% du total	Effectif	% du total
Is there a manual of accounting procedures?	Oui/Yes	26	19,7%	30	22,7%	2	1,5%	58	43,9%
	Non/No	32	24,2%	38	28,8%	1	0,8%	71	53,8%
	Pas sûre/Not sure	0	0,0%	3	2,3%	0	0,0%	3	2,3%
Total		58	43,9%	71	53,8%	3	2,3%	132	100,0%

**Accounting Manual and financial reporting accuracy**

		Financial reporting (financial statements) are presented accurately?						Total	
		Oui/Yes		Non/No		Pas sûre/Not sure			
		Effectif	% du total	Effectif	% du total	Effectif	% du total	Effectif	% du total
Is there a manual of accounting procedures?	Oui/Yes	51	38,6%	4	3,0%	3	2,3%	58	43,9%
	Non/No	54	40,9%	14	10,6%	3	2,3%	71	53,8%
	Pas sûre/Not sure	3	2,3%	0	0,0%	0	0,0%	3	2,3%
Total		108	81,8%	18	13,6%	6	4,5%	132	100,0%

**Accounting Manual and task segregation between responsables of goods receiver and good inspector**

		Are the persons responsible for receiving and inspecting goods received separate from those responsible for requisitioning goods or initiating accounting transactions?						Total	
		Oui/Yes		Non/No		Pas s <sup>u</sup> re/Not sure			
		Effectif	% du total	Effectif	% du total	Effectif	% du total	Effectif	% du total
Is there a manual of accounting procedures?	Oui/Yes	42	31,8%	9	6,8%	7	5,3%	58	43,9%
	Non/No	45	34,1%	18	13,6%	8	6,1%	71	53,8%
	Pas s <sup>u</sup> re/Not sure	3	2,3%	0	0,0%	0	0,0%	3	2,3%
Total		90	68,2%	27	20,5%	15	11,4%	132	100,0%

**Accounting Manual and books, reports, and certified audit firms**

		Accounting books, financial reports are frequently (annual) audited by certified firms or independent auditors?						Total	
		Oui/Yes		Non/No		pas s <sup>u</sup> re/Not sure			
		Effectif	% du total	Effectif	% du total	Effectif	% du total	Effectif	% du total
Is there a manual of accounting procedures?	Oui/Yes	34	25,8%	22	16,7%	2	1,5%	58	43,9%
	Non/No	37	28,0%	33	25,0%	1	0,8%	71	53,8%
	Pas s <sup>u</sup> re/Not sure	0	0,0%	3	2,3%	0	0,0%	3	2,3%
Total		71	53,8%	58	43,9%	3	2,3%	132	100,0%

### Accounting Manual and periodic review, refreshment of policies and procedures

		Does management performs periodic review of policies and procedures to determine their continued relevance, and refreshes them when necessary?				Total	
		Oui/Yes		Non/No			
		Effectif	% du total	Effectif	% du total	Effectif	% du total
Is there a manual of accounting procedures?	Oui/Yes	20	15,2%	38	28,8%	58	43,9%
	Non/No	32	24,2%	39	29,5%	71	53,8%
	Pas sûre/Not sure	3	2,3%	0	0,0%	3	2,3%
Total		55	41,7%	77	58,3%	132	100,0%

### Accounting Manual and financial and accounting information communications procedures

		Are procedures put in place for communicating the financial and accounting information?						Total	
		Oui/Yes		Non/No		Pas sûre/Not sure			
		Effectif	% du total	Effectif	% du total	Effectif	% du total	Effectif	% du total
Is there a manual of accounting procedures?	Oui/Yes	47	35,6%	10	7,6%	1	0,8%	58	43,9%
	Non/No	49	37,1%	20	15,2%	2	1,5%	71	53,8%
	Pas sûre/Not sure	3	2,3%	0	0,0%	0	0,0%	3	2,3%
Total		99	75,0%	30	22,7%	3	2,3%	132	100,0%

### Accounting Manual and validated financial and accounting communication procedures

		Have procedures been defined, validated by the management of the organization for communicating the financial and accounting information?						Total	
		Oui/Yes		Non/No		Pas sûre/Not sure			
		Effectif	% du total	Effectif	% du total	Effectif	% du total	Effectif	% du total
Is there a manual of accounting procedures?	Oui/Yes	43	32,6%	11	8,3%	4	3,0%	58	43,9%
	Non/No	47	35,6%	22	16,7%	2	1,5%	71	53,8%
	Pas sûre/Not sure	3	2,3%	0	0,0%	0	0,0%	3	2,3%
Total		93	70,5%	33	25,0%	6	4,5%	132	100,0%

### Accounting Manual and periodic schedule for accounting and financial disclosure to partners

		Is there a periodic schedule for accounting and financial disclosure to partners of organization?						Total	
		Oui/Yes		Non/No		Pas sûre/Not sure			
		Effectif	% du total	Effectif	% du total	Effectif	% du total	Effectif	% du total
Is there a manual of accounting procedures?	Oui/Yes	40	30,3%	11	8,3%	7	5,3%	58	43,9%
	Non/No	38	28,8%	28	21,2%	5	3,8%	71	53,8%
	Pas sûre/Not sure	3	2,3%	0	0,0%	0	0,0%	3	2,3%
Total		81	61,4%	39	29,5%	12	9,1%	132	100,0%

**Accounting Manual and control of accounting and financial information prior to communication**

Accounting		Is there a procedure providing for the control of accounting and financial information prior to communication?						Total	
		Oui/Yes		Non/No		Pas sûre/Not sure			
Is there a manual of accounting procedures?		Effectif	% du total	Effectif	% du total	Effectif	% du total	Effectif	% du total
Oui/Yes		50	37,9%	6	4,5%	2	1,5%	58	43,9%
Non/No		55	41,7%	15	11,4%	1	0,8%	71	53,8%
Pas sûre/Not sure		3	2,3%	0	0,0%	0	0,0%	3	2,3%
Total		108	81,8%	21	15,9%	3	2,3%	132	100,0%

### Accounting Manual and procedures to communicate the updating to employees

		Are the procedures and updates often communicated to employees?						Total	
		Oui/Yes		Non/No		Pas sûre/not sure			
		Effectif	% du total	Effectif	% du total	Effectif	% du total	Effectif	% du total
Is there a manual of accounting procedures?	Oui/Yes	51	38,6%	5	3,8%	2	1,5%	58	43,9%
	Non/No	51	38,6%	16	12,1%	4	3,0%	71	53,8%
	Pas sûre/Not sure	3	2,3%	0	0,0%	0	0,0%	3	2,3%
Total		105	79,5%	21	15,9%	6	4,5%	132	100,0%

### Accounting Manual and organization board of directors for governance

		The organization has a board of directors for governance?						Total	
		Oui/Yes		Non/No		Pas sûre/Not sure			
		Effectif	% du total	Effectif	% du total	Effectif	% du total	Effectif	% du total
Is there a manual of accounting procedures?	Oui/Yes	48	36,4%	6	4,5%	4	3,0%	58	43,9%
	Non/No	57	43,2%	9	6,8%	5	3,8%	71	53,8%
	Pas sûre/Not sure	3	2,3%	0	0,0%	0	0,0%	3	2,3%
Total		108	81,8%	15	11,4%	9	6,8%	132	100,0%

**Accounting Manual and validating principles of accounting and finance by the board of directors**

		The accounting and finance principles were validated by the board of directors?						Total	
		Oui/Yes		Non/No		Pas s�re/Not sure			
		Effectif	% du total	Effectif	% du total	Effectif	% du total	Effectif	% du total
Is there a manual of accounting procedures?	Oui/Yes	44	33,3%	8	6,1%	6	4,5%	58	43,9%
	Non/No	49	37,1%	16	12,1%	6	4,5%	71	53,8%
	Pas s�re/Not sure	3	2,3%	0	0,0%	0	0,0%	3	2,3%
Total		96	72,7%	24	18,2%	12	9,1%	132	100,0%

**Accounting Manual and Audit committee for financial statements reliability**

		The board of directors has an audit committee to ensure the reliability of the financial statements of the organization?						Total	
		Oui/Yes		Non/No		Pas s�re/Not sure			
		Effectif	% du total	Effectif	% du total	Effectif	% du total	Effectif	% du total
Is there a manual of accounting procedures?	Oui/Yes	37	28,0%	15	11,4%	6	,5%	58	43,9%
	Non/No	47	35,6%	21	15,9%	3	2,3%	71	53,8%
	Pas s�re/Not sure	3	2,3%	0	0,0%	0	0,0%	3	2,3%
Total		87	65,9%	36	27,3%	9	6,8%	132	100,0%

Accounting Manual and accounting and financial internal control integrity and transparency

		The board establishes the committee that oversees internal control over financial reporting and the integrity and transparency of those reports?						Total	
		Oui/Yes		Non/No		Pas s�re/Not sure			
		Effectif	% du total	Effectif	% du total	Effectif	% du total	Effectif	% du total
Is there a manual of accounting procedures?	Oui/Yes	42	31,8%	10	7,6%	6	4,5%	58	43,9%
	Non/No	48	36,4%	20	15,2%	3	2,3%	71	53,8%
	Pas s�re/Not sure	3	2,3%	0	0,0%	0	0,0%	3	2,3%
Total		93	70,5%	30	22,7%	9	6,8%	132	100,0%

## APPENDIX C

### LIST OF NGOS THAT PARTICIPATED IN THE STUDY

ACEF	Association Conseil pour Enfant
ACOMB	Association pour l'Auto promotion des Communautés de Base
ADA	Association Développement Avenir
ADAPV	Association pour le Développement Agricole et la Protection Villageoise
AD-Togo	Action Développement Togo
ADT	Les Amis de la Terre
AEDMS	Association pour les Enfants Démunis en Milieu Scolaire
AEFM	Action pour l'Education et la Formation de la Masse
Aide et Action	Aide et Action
OCDI-National	Organisation de la Charité pour un Développement Intégral
Caritas Togo	Organisation de la Charité pour un Développement Intégral
Fondatio	Fondatio
Sichem	Sichem
Wildaf Afrique de l'Ouest	Women in Law and Development in Africa
CRS	Catholic Relief Services
IFFRAFRIQUE	Institut de Formation Fondacio Afrique
SUCCES PLUS	Succès Plus
SER-TOGO	SER-TOGO
AVIAT-TOGO	Associazione Volontari Italiani Amici Togo
AGIB	AGIB
ASMEN	ASMEN
ENTRED	ENTRED

ACT-AFRIQUE	Act- Afrique
RELUTET	Réseau de Lutte contre la Traite des Enfants au Togo
AFEL	Association Féminine la Lumière
CAJED-TOGO	CAJED-TOGO
ATDPDH	Association Togolaise pour la Défense et la Promotion des Droits Humains
CACIT	Collectif des Association contre l'impunité au Togo
GF2D	Groupe de Reflexion Femme Démocratie et Développement
AMNESTY-TOGO	Amnesty International Togo
ATEOVEA	ATEOVEA
INADES FORMATION	Institute Africaine pour le Développement Economique et Social-Centre Africain de Formation
AAJE	Action Jeunesse et Environnement
AGAPE-TOGO	Agapé-Togo
ACACI-TOGO	ACACI-TOGO
ETD	Entreprises Territoires et Développement
AJSD	Association des Jeunes Solidaires pour le Développement
CRIPS-TOGO	Centre de Reflexion et d'Initiatives pour la Promotion de la Santé
ASPROFEM	Association pour la Promotion de la Femme et de l'Enfant
ACS	Action Contre le Sida
UONGTO	Union des Organisations Non Gouvernementales du Togo
TEE	Togo Energie et Environnement
HORIZON DEVELOPPEMENT	Horizon Développement
EAU-VIVE	Eau – Vive
BORNEFONDEN	Fondation pour les Enfants
CDB	Comité de Développement de la Zone de Bè

C2D	Croisade pour un Développement Durable
CRT	Croix Rouge Togolaise
CTM	Carrefours Tiers Monde-Togo
DAHW	Association Allemande d'Aide aux Lépreux
ESVIE	Espérance Vie
FID	Femmes Initiatives Développement
G.G.D	Groupement de Gestionnaires pour le Développement
JPR	Jeunesse Pionnière Rurale
H.D	Horizon Développement
LA COLOMBE	ONG Féminine LA COLOMBE
LA PATRIE	Association LA PATRIE
MARS	Mouvement d'Action pour le Renouveau Social
MEDES	Mère-Enfant Dans l'Espérance
2MFEED	Mission Mondiale pour la Femme et l'enfant Déshérités
MJS/URM	Mouvement pour la Justice et la Solidarité/Mission Urbaine et Rurale en Afrique
MVCP	Mission des Volontaires Contre la Pauvreté
MOPIB	Mouvement pour la Promotion des Initiatives de Base
OADEL	Organisation d'Appui au Développement Local
ODIH	Organisation pour le Développement Intégral de l'Homme
ORJEDEC	Organisation Jeunesse pour le Développement Communautaire
OJADEC-AFRIQUE	Association des Jeunes pour le Développement Communautaire en Afrique
RAFIA	Recherche Appui et Formation aux Initiatives d'Auto développement
SEDIA	Santé, Environnement, Développement et Initiatives Apparentées

SOTOPRODER	Association Togolaise pour la Promotion du Développement Rural
VIH-SOUTIEN	VIH-SOUTIEN
VaDeB	Volontaires pour l'Ancien de Développement
AJMB	
UJRA	
AJEDI	
AET	Appui à Élevage au Togo
VDF	
PETITE SOEUR A SOEUR	Petite soeur à soeur
OPTIQUE ST PAUL	Optique St Paul

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## CURRICULUM VITAE

### **CONTACT INFORMATION**

BAGNA Kokou

B.P.4857 Lomé – TOGO Tel: (+228) 90 18 85 58

Nationality: Togolese

Married

### **TRAININGS AND WORKSHOPS**

2009: APLI-ADVENTIST PROFESIONNAL LEADERSHIP INTITUTE-  
THAILANDE, CHIANG MAI- HR (HUMAN RESOURCES  
MANAGEMENT) & PR (PUBLIC RELATION)

- Crises Management
- Building of Employee Job descriptions-
- Human Resource Management
- Employment assessment

2009: GOVERNANCE & MANAGEMENT ONG/NPO-ABIDJAN-ADRA  
INTERNATIONAL

Adventist West Union Division for 7<sup>th</sup> day Adventist Church

- Strategic Planning
- National Emergency Preparedness Plan Response
- Governance – Board of Directors Management

- Management – Staff of Organization
- 2008: WAGES MANEGEMENT CERTIFICATE - IMA (Institut International de Management d'Abidjan)
- audit of remuneration
  - Assistance Informatique in management
- 2007-2008: EDI (Entrepreneurship Development Institute of India: International Training Programme on Entrepreneurship & Small Business Promotion sponsored by Indian Technical & Economic Co-operation Ministry of External Affairs Government of India, New Delhi:
- Finance Management
  - Human Resource Management
  - Business Plan
  - Budgeting
  - Business Counseling
  - New business set up
- 2008: TAX & LAW: Tax treatment of remuneration paid to third parties
- Retained Retinues in respect of deductions
  - retained foreign providers
  - capital income rents on the fees, commissions, trades and other remuneration paid to a third taxes on wages
- 2008: Training workshop on the project management seminar
- Leadership
  - Project Life cycle
  - Follow-up and Evaluation

2007: APLI (Adventist Professional Leadership Institute) /ADRA Nairobi, Kenya.

Program: Financial Management, Focus on skills training

- Finance Management Competencies
- Accounting procedures and financial review
- performance management, equipment management
- budgeting information
- Development of financial and accounting manual procedures

2005- 2006: Development of Accounting Manager at B.E.C (Office of study accounting, audit firm) training: Diploma of Accounting Manager

2005: Council of Sahel Union (11 country grouping) of the seventh day Adventist Church Mission administrators: workshops on governance, the financial management

2004: Strategic Planning ADRA AFRO (Regional Office)

Preparation and writing of strategic planning for ADRA TOGO

2001: Beneficial Life Insurance sales agent training

1999: Secretary Office training, Word processor/Word-spreadsheet/Excel

### **PROFESSIONAL EDUCATION**

2013-2017: MBA in Progress

2011: Post Graduate Institute-Université Mercure International

« Diploma of Finance Management » DES (MAITRISE)

2010: DTS – Diplôme on Project Management (GESTION DE DEVELOPPEMENT OU PROJETS)-

« Fondation Université Mercure en Belgique »

2005-2006: Diploma of Accounting Manager (D.F.A.C.G)

1997: BAC G2: high Technical School of Lomé (Adidogome), Option: Accounting

### **PROFESSIONAL EXPERIENCES**

2009-2017: Finance Director ADRA Togo

2009 : Chief Financial Officer ADRA Togo responsible for the Administration and Project

2008-Juin 2009: Acting Country Director

2007- 2008: Chief Accountant, Manager of finance NGOs ADRA TOGO

2002-2006: Accountant ONG ADRA TOGO

2000-2001: Treasurer Seventh day Adventist Church located in the quartier des Etoiles (a part time)

2000-2001: Controller/Checker of internal financial records of the seventh day Adventist Churches in Togo

2001: Responsible for communication, loaded with you send telex messages for masters of vessels with the UMAT (Universal Maritime Agency Togo)

2001-2002: Accounting Manager at CTOP (Coordination Togolese rural organizations and agricultural producers)

2002-2005: Treasurer at Seventh day Adventist Church in Lomé Central Church  
quartier des Etoiles

### **COMPUTER SKILLS AND OTHERS**

Accounting Software: AAA « Angeline's Absolue Accounting »

SAGE SAARI,

Microsoft Business Solutions "Navision 4.0" Accounting  
Software

SunPlus accounting software

Excel, Power Point, Word

### **LANGUAGES SKILLS**

French : speech & writing: very good

English: speech & writing: good