

## PROJECT ABSTRACT

Master of Business Administration

Adventist University of Africa

School of Postgraduate Studies

Title: FINANCIAL MANAGEMENT PRACTICES AT BURUNDI UNION  
FIELDS

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Date Completed: June 2018

This study concerns the financial management practices of Burundi Union's Fields. All Seventh-day Adventist Churches in the world have a mission to go and preach the good news of Jesus Christ. However, that mission cannot be carried on without funds.

To fulfill that mission, the Burundi Union Fields need to mobilize and use effectively the financial resources they receive from members and donors. Hence, the purpose of the study is to determine to what extent are the Fields effective in managing their finances. To achieve the objective, three aspects of financial management are considered: financial planning or budgeting, internal control and financial accounting practices. The instruments include a questionnaire which was

distributed to 86 respondents, with the majority male, with age range between 41 and 50 and had a bachelor 'degree as level of education. Both primary data and secondary data were used. Financial Statements were analyzed using the indicators such as working capital, liquidity and self-support ratios to determine the financial condition of Fields during the period of 2015-2017.

The results show that some Fields were not managing their finances as effectively and efficiently as they should. Only the Peace Field's budget is being used as an instrument of control and evaluation because it is regularly posted in the accounting books. The budget of other Fields is not all recorded in their books of accounting. Consequently, their budgets are not used as an instrument of control and evaluation. This is the case of Hope Field for the year of 2017, Light Field for the year of 2015 and Maranatha Field for the years of 2015, 2016, and 2017. Further, for Peace Field and Light Field the documentation which contains procedures of internal control is not produced. For all the Fields, only the 2015 financial statements are audited by GCAS. In addition, for some fields, the internal auditor does not meet the treasurers of the local churches to discuss about critical issues of internal control.

Adventist University of Africa

School of Postgraduate Studies

FINANCIAL MANAGEMENT PRACTICES AT BURUNDI UNION FIELDS

A project

presented in partial fulfillment

of the requirements for the degree

Master of Business Administration

by

Candide Ndikumana

January 2019



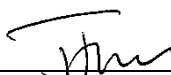
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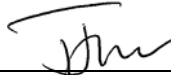
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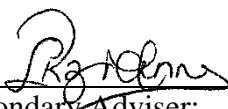
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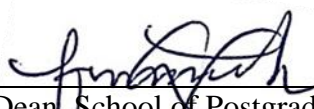
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I dedicate this research to Burundi Union Mission,  
my husband and my children

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## LIST OF ABBREVIATIONS

AICPA	American Institute of Certified Accountants
CEO	Chief Executive Officer
GAAP	Generally Accepted Accounting Principles
GC	General Conference
SDA	Seventh-day Adventist
SPSS	Statistical Package for Social Scientists

## ACKNOWLEDGEMENTS

To begin this, I would like to thank God for his abundance grace that has brought this research project to a success. I also want to address my gratitude to my husband Pastor Cishaka Dieudonné, my daughter Fortunée, and my sons David Darcy, Jean Jobert, and Jess Junior for the support I got from them. My sincere thanks go to my mother Mrs. Mary, my brothers Josias and Samuel, and my sisters Serevana, Josephine and Monika and the entire family members for their assistance.

I want to give special thanks to my primary advisor, Dr. Josephine Ganu and my secondary advisor, Dr. Marie-Anne Razafiarivony, for their moral support and academic guidance despite their busy schedule. Also, I want to appreciate all my lecturers, classmates, respondents and other persons who provided support and contributed to the completion of this research project as well as my MBA studies.

# CHAPTER 1

## INTRODUCTION

### **Background of the Study**

Financial management is an important function because it is the lifeblood of all institutions. Kitonga (2013) states that sound financial management practices are crucial to the survival and well-being of many organizations of all types. This means that for an organization to be able to sustain its operations and meet its goals and objectives, it must manage its finances effectively and efficiently. Hence, poor or careless financial management can cause business failure. Also, Ahoritor (2009) mentions different functions of financial management. It mobilizes financial resources, control of expenditures and ensures the good use and growth of these resources. Financial management involves planning income and expenditure such that there is enough positive cash flow to execute the projects of organization.

All Seventh-day Adventist (SDA) Churches have a great and demanding mission that is to proclaim the good news of Jesus Christ as king and savior of all nations. The church worldwide therefore needs funds to finance the activities required for the accomplishment of this mission. These activities include short and long-term expenses such as workers' salaries and allowances, administrative, general and departmental activities, construction of churches, schools, hospitals, workers houses, offices equipment, etc. Burundi Union Fields like any other SDA Church institutions also need enough income to accomplish this mission and this can only be achieved through the adoption of effective financial management practices.

Effective financial management includes the implementation of operating budgets which encourages planned operations where revenues and expenses are estimated which reduces unplanned expenses and allows effective spending of funds. Internal control is another effective financial management tool which helps to reduce expenses by ensuring proper use and safeguarding of all assets. Physical control of cash, equipment and inventory are designed to prevent fraud, misuse and errors.

The major sources of the Fields' revenues are tithes and offerings from the local SDA Churches. The local church treasurers are responsible for the recording and remittance of these funds to the fields. Without proper controls from the Fields' Treasury departments, there may be leakages, loss or misuse of these funds which may cause reduction in the revenues. The need to assist local church treasurers by the Field treasury department is necessitated by the fact that some of them have insufficient knowledge in the accounting or management domain. Therefore, training of the church treasurers can help avoid or prevent such kinds of losses. Financial statements reporting to the officers and other department managers constitute a source of information on the financial status of the Fields and assist in the decision-making process by officers.

### **Statement of the Problem**

Ideally, effective financial management ensures the maximization of revenues and minimization of expenses resulting in positive cash flows. The tendency in Burundi Union's Fields is that expenses are increasing while revenues are going down. This situation of low revenues and a continued growth in the expenses has resulted in the poor financial performance of the Fields in Burundi Union which has a negative impact on the accomplishment of the mission of Seventh-day Adventist Church in that Union. In light of this problem, the study aimed at examining the level

of effectiveness of financial management practices within the Fields and proposed some strategies to increase that effectiveness. Also, an evaluation of the financial condition of each entity through financial performance indicators such as working capital, liquidity and self-support ratios of each Field was done.

### **Research Questions**

In order to achieve the main objectives of the study, below are the research questions:

1. To what extent are the Fields effective in managing their finances as determined by their:
  - a. Budgeting and budgetary control practices?
  - b. Financial Internal control practices?
  - c. Accounting system?
2. What is the financial condition of Burundi Union Fields for the periods 2015-2017 as determined by:
  - a. Working capital
  - b. Liquidity
  - c. Self-support.
3. What strategies should be implemented to improve financial conditions of Burundi Union's Fields?

### **Significance of the Study**

This study will be useful to Burundi union's Fields officers and workers as it will enable them to know the financial position of their respective Fields, and strategies for improvement. The officers will make decisions accordingly and the workers' living conditions will improve.

The study can be used as a benchmark for other Fields with similar characteristics. Also, the study will contribute to the building of knowledge regarding financial management practices in church organizations and faith-based institutions.

### **Scope and Limitations of the Study**

The study is limited to Burundi Union Fields of the Seventh-day Adventist Church; namely, Light Field\*, Hope Field, Peace Field and Maranatha Field. Also, financial management practices are limited to budgeting, financial internal control tools, accounting system, and financial performance analysis in terms of working capital liquidity and self-support ratios. Besides, the study is delimited to financial statements for three years that is 2015 to 2017.

### **Operational Definitions of Terms**

**Financial management practice.** It is the process of planning, organizing and controlling of the funds necessary for running a business in order to achieve objectives of the organization.

**Burundi Union.** According to the researcher, Burundi Union refers to the Seventh-day Adventist Church headquarters in Burundi.

**Field.** An administrative entity of the Seventh-day Adventist Church which is made up of districts located in one area that has been granted, by the constituency of a union conference/mission, an official status as a Seventh-day Adventist local field.

**Local Church -** A specific group of Seventh-day Adventist members in a defined location that has been granted, by the constituency of a local conference/mission, in session, official status as a Seventh-day Adventist Church.

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\*Light Field, Hope Field, Peace Field and Maranatha Field are pseudonyms adopted by the researcher to mask the identities of the actual Fields.



**Treasurer.** In this study, the treasurer is the chief finance officer (CFO) of a Field in charge of the financial affairs of an entity.

**Income.** For the purpose of the study, income is defined as resources available for meeting different needs of an organization. The most important income from Seventh - day Adventist Churches includes tithe from local churches members, direct tithe from workers payroll deduction, and combined offerings.

**Expenses.** In the study, expenses are the disbursement of funds to the long-term activities, (investment) and operating activities.

**Revenue maximization.** This is the net profit that can be realized when all current expenses are deducted from current income.

**Financial Statement.** This is an accounting document which gives information on the financial position of the Field. The analysis of the financial statements helps the management to determine the ratio of working capital, liquidity, and also self-support ratio.

**Working capital.** Is the available cash used in running the day-to-day operations, calculated as the current assets minus the current liabilities.

**Liquidity.** Refers to the ability of the Field/Union to meet its short-term debts using the available money in bank and cash.

**Self-financing/Self-support.** The degree of independence by which a Field/Union can survive with its own resources without relying on external financial support.

**Budget.** It is a management tool which focuses on the projection of income and expenses of an organization during a given period. In the study, the term budget refers to an operating budget which covers a period of one year.

**Internal control.** Is the process designed and implemented by management to provide reasonable assurance about achievement of the entity's objectives.

## CHAPTER 2

### REVIEW OF LITERATURE

#### **The Purpose of the SDA Church**

The mission of the Seventh-day Adventist Church is to call all people to become disciples of Jesus Christ, to proclaim the everlasting gospel embraced by the three angels' messages (Revelation 14:6-12), and to prepare the world for Christ's soon return (see world church's strategic plan for 2015-2020). This mission contributes to the spiritual, mental and physical development of all nations. To fulfill that mission, Burundi Union Fields have to mobilize and use financial resources from members and donors to execute their projects. These funds need to be effectively and efficiently managed to ensure the growth and continuing stability of the Fields in mission. To reach the goal, specific financial management practices such as effective internal control system, planning and implementing the budget, and adopting effective accounting system have to be in place.

#### **Definitions of Financial Management**

Financial management has been defined in different ways. First of all, Harash, Timimi, & Alsaadi (as cited in World Bank, 2014) define finance as the amount of funds acquired from internal and/or external source available to pay, to create or to expand the business of an organization. According to Prempeh, Twumasi, & Kyeremeh (2015), finances of every organization are seen as the life blood and its effective and efficient management cannot be underestimated. Financial management concerns the activity of planning, organizing and controlling the amount of funds of a

business in order to achieve business objectives and goals (Brijlal, Enow, & Isaacs, 2014). Nguyen (as cited in McMahon and Scott, 2017) defines financial management based on acquisition and use of funds by an organization. He said that “Financial management is concerned with raising the funds needed to finance the enterprise’s assets and activities with ensuring that the funds are used effectively and efficiently in achieving the enterprise goal” (pp. 69-70). Prempeh, Twumasi, & Kyeremeh (2015) present the definition cited by Watson and Head in 2010 that financial management is managing the organization’s finances in order to ensure optimum allocation and use of money for the purpose of maximizing value of the firm.

From the definitions of financial management above, the researcher concludes that good financial management practice has an influence on organizational performance as it is explained by several authors. According to Butt, Hunjra, & Rehman (2010), proper financial management of an organization affects its profits and value maximization. Organizations with efficient and effective financial management focuses on reducing expenses and maximizing income so that they earn profits that will enhance its growth and development. According to Pandey (2004), financial management is the process of planning and controlling finances for the objective of achieving business goals which is generating enough cash to finance current operations and investing surplus funds.

According to Karadag (2015), poor financial management practice has negative effects on the performance of any enterprise and can result in business failure. An additional reason of business failure by the absence of good financial management is expressed by McMahon, Richard, & Scott (2017) when they say that poor and careless financial management is the most important cause of failure especially for small business. Financial management practice prevents the misuse or

loss of asset. As suggested by Siciliano (2003), the aim of financial management is to protect all assets and ensure proper accounting and use of those assets in order to avoid the need to repair or replace them.

### **Financial Management Principles**

Brijlal, Enow, & Isaac (as cited in Armstrong, 2001) discuss principles or tools of financial management. These principles are financial planning and control, and financial accounting. Those principles correspond to the area of study by the researcher.

### **Financial Planning/Budgeting**

According to Ross (2005), financial planning or budgeting is “the process of expressing the predicted costs and resources for a planned course of action over a specified time period.” Management need to ensure that enough funding for investing in equipment and stocks and for paying employees, is available at the right time to meet the needs of the business and if proper planning is not undertaken the probability that the organization can manage its resources efficiently would be small (Prempeh, Twumasi & Kyeremeh, 2015, pp. 771-772).

According to Brigham & Ehrhardt (2015) when a company has a well-articulated plan, it is possible to make that company more valuable. They explain that “You’ve got to be careful if you don’t know where you’re going, because you might not get there.” Budget is defined by Anthony, Robert, Ella, & Mark (2012) as quantitative expression of projected money inflow and outflow for the specified period that reveals whether short-term and long-term operations will meet the organization’s financial objectives. According to Barrett and Fraser (1977), budget is projected income and expenses by which management uses to ensure that resources

are used efficiently in accomplishing company objectives. Financial managers decide in advance how much to spend and to what to spend according to their expected income. Budget will secure that resources are being used efficiently and effectively.

The budgeting process comprises prioritization of objectives identified in the planning process. Budget concerns of ranging objectives according to their importance. This idea is supported by Dropkin, Halpin, & La Touche (2007) when they specify that constructing a budget includes identifying priorities, setting goals, and strategies to improve internal control.

**The roles of budgeting.** Sivabalan, Booth, Malmi, & Brown (2009) mention three reasons of using budget: planning, controlling, and evaluating.

**Planning.** Olusegun (as cited in Warue & Wanjira, 2013) addresses the importance of a budget as a major tool of planning to reach the effective business. Hence, the lack or inadequate planning leads to the failure of an organization. According to Mwaura (2013), planning concerns the preparation in advance of objectives, time period and actions to be taken to achieve goal while control is an action to ensure the conformity between plan and realization. For Hager, Hobson, & Wilson (2001), planning is budgeting for the future to forecast on how much programs will cost and relate those costs to different activities level while control is regarding to verify if all expenses are legal, valid appropriate, accurate, and honest.

**Controlling.** For the General Conference of Seventh-day Adventists (2009, pp 623-624), the budget is a principal instrument of control for every organization. When the treasurer provides timely financial information by comparing actual realization with the projected budget, this information will guide the administration to take appropriate actions to best ensure the financial stability of the organization.

Controlling budget is comparing actual income and expenses with planned income and expenses so that we can identify whether or not corrective action is required. Also, controlling budget is an activity which compares income to expenses and ensures that expenses do not exceed income. Sivabalan, Booth, Malmi, & Brown (2009) explain that budgets enable monitoring an organization's progress and noting significant deviation and questioning senior management regarding the progress. In addition, during a period of planning, organizations can engage in effort to control costs sticking to its to budget.

***Evaluating.*** Olawale, Ibikunle, Francis, & Caleb (2012) state that evaluating of performance helps to assess the degree of achievement of objectives in organization with the tendency of correcting any negative variance. For Sivabalan, Booth, Malmi, & Brown (2009), evaluation helps the organization to know if different departments have done better or worse according to the budget allocations. It is the evaluation action that allows the organization to know how units have been performing relative to budget.

Budget plays the role of measuring management performance. According to Hope (2006), performance evaluation serves for three purposes. First when the performance is measured, employer takes the opportunity to reward employees and consequently they are motivated. Second, evaluation of performance provides the basis of compensation decision, future assignments, and career advancement. Lastly, evaluation creates a basis for future resource allocation. For Gustafsson, & Parsson (2010), managers are responsible to follow and discover the deviation from the plan and make investigation of the reasons which caused those deviations.

## **Internal Controls**

Another key principle of effective financial management practice is the implementation of internal controls within every organization. Financial control as presented by Wakiriba, Ngahu, & Wagoki (2014, p105) is the procedures designed to protect assets and ensure that all financial transactions are recorded to prevent and reduce errors and fraud. Besides, internal control is defined by Dodaro (2014, p5) as a process and continuous set of operations effected by an entity's oversight body, management and other personnel that provides reasonable assurance that an entity's objectives will be achieved. For Sertima (2005, p22), internal control is one of the mechanisms of an organization to meet its responsibilities. He adds that internal control is considered as a process effected by an entity's board of directors, management and other personnel designed to provide reasonable assurance of reliability of financial reporting, effectiveness and efficiency of operations and the compliance with applicable laws and regulations.

Therefore, internal control is designed to provide reasonable assurance. According to Prempeh, Twumasi, & Kyeremeh (2015) the following actions constitute the reasonable assurance by the management and other personnel: to verify if all transactions are recorded, and appropriately authorized; if the transactions recorded are valid and properly valued; if the classifications of transaction are done properly and if the transactions are recorded at the appropriate time. The AICPA defines internal control as a coordinated plan, means and ways by the enterprise to keep safe its assets, to check the reliability and to increase the effectiveness of data and to ensure the settled management politics.

## **The Role of Internal Control to Improved Financial Management**

According to Inusah & Abdulai (2015), internal control ensures sound financial management by helping organization to meet their goals and objectives, by promoting efficiency, by reducing risk of loss and ensuring financial statement reliability and compliance with law and regulation. For Hawkins (2005) internal control is necessary for three reasons. First, it can help the entity to achieve targets by minimizing the probability of unexpected surprise and prevent loss of resources. Secondary, it can help ensure financial reporting and third, it can ensure that the enterprise complies with the laws and regulations.

Harisson, Horngren, Thomas, & Suwardy (2014) explain five reasons of internal control. First, organizations design internal control to safeguard asset against waste, inefficiency, and fraud. Especially, cash and inventory need physical control to prevent shoplifting or employee theft. Secondary, internal control provides clear policy to follow by employees and result to fair treatment and to work toward the same goal. Third, internal control helps to ensure that operations are running efficiently. Effective control minimizes waste which lowers costs and increases profits. Fourth, internal control ensures accurate and reliable accounting records to show which aspect of business is profitable and which part needs improvement. Lastly, internal control helps ensure compliance with the law and help the company to avoid legal difficulties which can be dangerous when found culpable.

According to Hermanson, Smith, and Stephens (2012), internal control is important for three purposes. It reports findings related to current practice and future plan. It gives opportunities to assess the strengths and weaknesses of an organization and finally it identifies area that requires additional attention. Lakis & Giriunas (2012) mention that one of the basic instruments of enterprise control is the implementation



of internal control. They said that internal control is necessary for achieving a competitive advantage over other enterprises. It helps the enterprise to achieve goal and to perform its tasks and it helps to detect and eliminate the threats and risk in due time. Another role of internal control is presented by Mukhina (2015) as cited by Armour in 2000. He said that internal control is a system of ongoing monitoring and verification of an organization functioning which helps to assess the reasonableness and effectiveness of management decisions, to identify abnormalities and adverse situation, and to make management decision on elimination, reduction and to help on risk management activities.

Additional roles of internal control are presented by CPA Australia (2015). Internal control encourages good management when the manager receives timely and relevant information on performance against targets. It allows action to be taken against undesirable performance by authorizing a formal method of dealing with fraud, dishonesty or incompetence when detected. Also, it ensures proper financial reporting by maintaining accurate and complete reports required by legislation and management and minimizing time lost correcting errors and ensuring resources are correctly and efficiently allocated. Jokipili (as cited in COSO in 1994) presents three determinants of effective internal control. First, it is when the board of directors and management has reasonable assurances that they understand the extent to which the entity's operational objectives are being achieved. Secondary when the published financial statements are prepared reliably and finally when internal control ensures the compliance with the applicable laws and regulations.

**Responsibility for the internal control.** Dodaro (2014) mentions that everyone in the entity has a responsibility for internal control. He gives a list of three category roles and their responsibility. The role of overseeing the strategic direction

of the entity and obligations related to the accountability of the entity is the responsibility of oversight body. The role of directing all activities of an entity which are the design, implementation, and operating effectiveness of an entity's internal control system is the responsibility of Management. The role of helping management and reporting issues noted in the entity's operations, reporting, or the compliance objectives are the responsibility of the personnel. Also, Sertima (2005) reports that management ensures the day-to-day functions of internal control. The entity's board of directors and other personnel are also responsible for internal control.

The Institute of Chartered Accountants in England & Wales (1999) is not far from the comments of the above authors. It has cited three responsibilities of internal control. Board of directors who is responsible for the company's system of internal control. The board of directors set appropriate policies and seeks regular if the system is functioning effectively. The other responsibility is for the management which implements policies which are adopted by board. Management plays roles of identifying and evaluating the risk. Finally, all employees have some responsibility as part of their accountability for achieving objectives. They operate and monitor the system of internal control. In addition, Dinapoli (2010) establishes three internal control responsibilities. First the governing board especially the CEO creates and presents to the managers and department heads policies and procedures needed to ensure that services are provided effectively and asset safeguarded. The CEO establishes accountability at all level of an organization. Secondly, another responsibility is given to the Finance officers for supervising the preparation of accounting records, produce financial report and demonstrating compliance with law and regulations. Third, managers and department heads are responsible for identifying potential risks and implementing controls for their areas of responsibility. The author

notes that all levels of management must work together in order to meet the goals and objectives within organization.

**Categories of internal control.** Olds & Edmonds (2007) mention two categories of internal control which are accounting control and administrative control.

**Accounting control.** Blume (2014) stipulates that accounting control is an integral part of internal control which concerns the methods and procedures that a management institutes to authorize transactions, to safeguard assets, monitor payments and ensure the accuracy and validity of accounting records. According to Olds & Edmonds (2007), accounting control is designed to help safeguard a company's resources and ensure that its accounting records contain reliable information. Accounting control ensures that physical control for asset and cash is proper done.

**Physical control for asset.** It is said that assets are easy to misplace and lose. That is why there is a need to keep it secured. Once an asset is purchased, it is recorded in an asset register. A staff member needs to know the location of the asset and review regularly the asset register to investigate any missing items. The same person should not be responsible for ordering, receipting income cash, writing and signing checks, recording, and paying for purchases as it is said by General Conference of SDA (2011) that good internal control involves appropriate segregation of duties.

According to AICPA, an organization's assets, both tangible (cash or inventory) and intangible (proprietary or confidential product or customer information) can be misappropriated by employees, customers or vendors. The organization should ensure that controls are in place to protect assets by physical safeguarding controls and by periodic detective controls such physical count of

inventory with reconciliations to general ledger. According to Mary, Albert, & Byaruhanga (2014), assets are highly susceptible to misappropriation and physical control helps to detect and prevent loss, theft and fraud of assets. Loss can occur if there is no comparing of the result of cash security and inventory count with the accounting records. Henage, & Dan (2013) mention that physical control is an integral part of internal control system. Referring to what is cited by COSO 1992, those authors explain that physical control of asset concern equipment, inventories, securities, cash and other assets which are secured physically in locked or guarded storage areas with physical access restricted to authorized personnel.

***Physical control for cash.*** Harrison, Horngren, Thomas, & Suwardy (2014, pp 283-286) explain the necessity of physical control over cash and show how to control cash receipt and cash payment. All transactions affect cash, cash is easy to steal and it is easy to convert to other forms of wealth. Concerning the control over cash receipt, all cash received are deposited in bank quickly after counting them. Concerning the cash payment control, those authors mention the separation of duty between operation and writing check for payments. According to Inusah & Abdulai (2015), internal control deals with physical handling of cash with the aim of ensuring that revenues collected or resources allocated are spent in accordance with rules and procedures for recording, keeping and accounting funds. General Conference of SDA (2011) also stipulates that the cashier cannot mix incoming receipted cash with a petty cash fund. Receipted cash should be kept in separate cash box with petty cash fund until it is deposited in bank. Also, individual cash should not also be mixed with a petty cash funds.

***Administrative control.*** According to Olds & Edmonds (2007) administrative control is helping to assure that management's plans and policies are followed by the

company and concerns employee performance. Blume (2014) defines administrative control as “the measures that control operations and transactions up to the point of authorization and that promote operational efficiency.” For example, administrative control deals with developing personnel recruiting and hiring policy. As said by Yang (2012), administrative control helps to ensure the integrity of application development and implementation, and to ensure that computer operations are properly administered to protect hardware, programmers and data.

### **Financial Accounting System**

As said by Wakiriba, Ngahu, & Wagoki (2014), there is a relationship between financial control and financial accounting. Proper internal control system may lead to the confidence in the veracity of financial information where financial statement explains correct and reliable financial records which can enhance the accountability function of management and lead to the gain of integrity and implementation of accounting policies consistent with the applicable legislation.

According to Ghosh & Lee (2013), errors found in financial statement are a result of weak internal control that is why it is good to start by controlling internally the company before producing and reporting financial statement. For Mbeba (2008), accounting is the process which concerns the recording, classifying and summarizing the financial result of operations in order to produce accurate, relevant and timely reports that provide essential information to allow the manager to make necessary decisions that improve the organization’s activities to become more consistent with the mission and objectives of the business plan. According to Libby, P., Libby, R., & Short (2001), an accounting system of every business deals with collection and report of financial information to the internal and external decision makers through the preparation of four basic financial statements which are balance sheet, income

statement, statement of cash flow, and statement of retained earnings and are prepared for most companies at the end of quarter and at the end of the year.

As cited by Generally Accepted Accounting Principles (GAAP), Beams, Anthony, Bettinghaus, & Smith (2015) explain three parties that financial statements for not-for-profit organization such as church have to include (1) Statement of financial position (or balance sheet) which reports assets, liabilities and net asset; (2) Statement of activity (or income statement) which presents the revenues, expenses, gains and losses; and (3) Statement of cash flow which reports cash provided from operating activity, investment activity, and from non-capital financing activity.

**Role of financial statements analysis.** Harrison Jr, Horngren, Thomas, & Suwardy (2014) state the importance of financial statement analysis which gives financial information of an entity that is useful to existing and potential users to make decision about providing resources to the entity. Referring to what is said by Addo (2015), Financial Accounting System can lead to the growth and efficiency of a firm. Financial information find in Financial Statements analysis is used by management and employees to understand the risk and profitability of a firm.

According to Brigham, & Ehrhardt (2015), financial statement analysis is about helping management anticipate future conditions and starting point for planning actions that will improve the firm's future performance. At this point, financial information helps the management to prepare budget by using the basis of calculation of the figures of the last complete fiscal year found from financial statement. For Al Nasser (2014), Financial Statement analysis is the one most significant element for successful management of financial resources. That author explains that financial statements analysis plays three roles in maximizing the resources of firms. First, they are helping the managers to take effective financial and investment decision that can

increase the profitability and the value of the firm. Secondary, financial statements analysis identify the strengths, weaknesses, opportunities, and threats of a business and managers can suggest actions the organization can take accordingly. Third, financial statements analysis is used to obtain quick indication of firm's financial position in the form of ratios which role is to identify the areas where performance has improved or deteriorated over time.

**The use of ratios.** For Auerbach (2005), the use of ratio is the one and common way for making decision for management. It helps easily to evaluate the performance of business, to detect trends and to compare the performance with other competitors in the same industry and to compare the current performance of a company with the past period of time. For Chesnick (2000) the value of ratio compared with the target range of values provides the information to the management about company's strengths and weaknesses and indicates the financial health of a company and identifies problem areas of mismanagement and potential danger.

According to Najjar (2013), the analysis of financial performance of a company by using ratios can help to detect and prevent actions for bankruptcy and market risk and by consequent take the corrective measure to avoid such event for financial institutions. He continues to note that it is the interpretation rather than calculation that makes financial ratios a useful tool for business managers.

Concerning the analysis of financial performance by using ratios, General Conference of SDA (2011) explains that "analysis has to do not only with the computation of ratios, percentages, and relationships, but with the interpretation of those amounts. To interpret the significance of the data, the analyst must have a good working knowledge of the organization."

There are several ratios but the researcher considered only three ratios because they are the mostly used in the Seventh-day Adventists organizations. There are working capital, cash and self-support ratios.

**Working capital.** Ademola (2014), relying to what is said by Umara, Sabeen, and Qaisar in 2009. He presents the importance of working capital to the growth and survival of any business. He compares the need of maintaining working capital in business with the necessity of circulation of the blood of human body to maintain life. Working capital makes business to run effectively and efficiently and when it is becomes weak; the business can hardly prosper and survive. As cited by Moyer et al. in 1992, Samiloglu, & Demirgunes (2008) mention the position of working capital for small and medium sizes as an internal and external firm-specific matter. Internally, working capital of those firms help to overcome the complication of limited access to capital market by borrowing them short term credit while externally working capital constitute an important indicator of risk for creditor.

According to Samiloglu & Demirgunes (2008), working capital is related to financing and managing short term investment and undertake both current assets and current liabilities. Auerbach (2005) mentions that working capital is the current ratio which indicates the solvency of a company. He gives a formula that working capital is the sum of cash, accounts receivable, and inventory divided by the amount provided by short term creditors. Working capital should always be superior to 1 that is meaning the current asset is able to meet short term obligations. For Brigham, & Ehrhardt (2005), a high current ratio is not every time good. It could mean an excess of cash not used in productive asset or a large inventory holding in a company and can cause obsolete stocks before they can be sold. Also, Harrison Jr, Horngren, Thomas, & Suwardy (2014) support the idea above. Too much of working capital means that



current asset for example cash and, inventory and receivables are not generating income. Those authors continue to say that the current ratio acceptable depends on industry but in most industries; the current ratio of working capital is around 1.5. For each \$1 of current liabilities, we have \$1.5 of current asset. This represents the ability to meet short term obligation and indicate that we can satisfy the upcoming operational expenses.

General Conference of Seventh-day Adventists (2009) gives the formula of working capital as the amount of current assets above current liabilities and precise that each organization of Seventh-day Adventists has its proper recommended working capital. For the case which concerns the researcher, Fields must reach 20 percent of the latest fiscal year's total operating expenses, or for interim statements, the latest 12-month actual operating expense, plus allocated funds.

**Cash ratio.** Mbeba (2008) defines the cash ratio as liquid ratio to measure the degree to which cash can pay short term liabilities to lenders, depositors and other creditors. Through the cash ratio, the manager needs to ensure that salaries and bills are paid on time. If they are not able to pay the creditors this situation can limit access to funding in the future. Also, enough cash ratio helps to maintain the client trust and confidence. Hossan, & Habib (2010) make comparison between working capital ratio with the cash ratio. Referring to Kieso, Weygant, and Warfield in 2001, Hassan and Habit (2010) state that cash ratio is the most understanding ratio to realize the liquidity position of a company and it gives a better result while working capital is not good way to analyze the liquidity position because it includes account receivable and inventory which take time to be converted to cash.

**Self-Support ratio.** Mbeba (2008) gives another name to the self-support ratio which is operating self-sufficiency ratio. This measures the degree to which internally

income can cover all operating expenses and show if the organization is able to function independently from external support. According to the East Central Africa Division (2007) of Seventh-day Adventists, Field/Union which have not yet attained self-support is requested to establish a plan and a specific date for achieving financial self-support. It is mentioned that “an organization is considered to be self-supporting when it has sufficient earned operating income (not including donations and appropriations) to cover its operating expenses (including the difference between the appropriations paid to lower organizations and the appropriations received from the higher organization if the amount paid to lower organizations is more than what is received from the higher organization).

This chapter discussed how an organization can have sound financial management through the practice of budgeting, internal control, and proper accounting system. Organizations use budgets to plan what is going to be done by priority during a budget period. The implementation of a budget can ensure that the organization uses effectively its resources and this can make it more valuable. Internal control is another tool of financial management which helps the organization to prevent, detect, and correct some errors or fraudulent activities. Internal control's role is also to safeguard assets against insufficiency, use, and loss. Good internal control facilitates the accounting system to provide necessary financial information to the decision makers and financial statements analysis becomes reliable and presents the conformity with the laws and regulations. The use of ratios found from financial statements helps to evaluate easily the health of the organization and show the problem areas and managers take measures to correct that situation accordingly.

## CHAPTER 3

### METHODOLOGY

#### **Research Design**

Sekaran & Bougie (2013) define the research design as “a blueprint for the collection, measurement, and analysis of data, based on the research question of the study” (p. 95). Based on the research questions of the study, the researcher used descriptive research design because she wanted to describe the financial management practices, which already existed in Burundi Union’s Fields as determined by budgetary practices, internal control, and accounting system.

#### **Population & Sampling Procedure**

According to Baumgartner & Hensley (2006, p. 116), “the population refers to an entire group or aggregate of people or elements having one or more common characteristics.” In this study, the population included all Burundi union’s Fields employees and executive committee members. Employees included administrators, secretaries, departmental (full time), accountants, cashiers, internal controllers, and districts workers). Burundi Union Fields of the Seventh-day Adventist Church; namely, Light Field, Hope Field, Peace Field and Maranatha Field. Table 1 shows that target population and sample are the same. This is because of the small target population size.

*Table 1. Target Population*

<b>Elements</b>	<b>Target Population</b>	<b>Sample</b>
Administrators	12	12
Full time departmental directors	11	11
Accountants	5	5
Cashiers	4	4
Internal auditors	4	4
Lay Executive committee members	50	50
<b>Total</b>	<b>86</b>	<b>86</b>

### **Instrument for Data Collection**

The researcher used both primary and secondary data. Sekaran & Bougie (2013) said that “primary data refers to the information obtained first-hand by the researcher on the variables of interest for the specific purpose of the study while secondary data refer to the information gathered by someone other than the researcher conducting the current study” (pp. 113-116). Therefore, the primary data was collected by the use of self-designed questionnaire and interview and secondary data was collected by the use of office existing documents such as financial statement analysis, working policy, and accounting manual.

The questionnaire was made up of two sections. The first section had closed questions where respondents were asked to choose from the different alternatives given. That part helped the researcher to know personal data of the respondent. Level of education and job status gave the ideas to the researcher about the knowledge of respondent in financial management practice.

The second section included close-ended questions designed in form of Likert scale. This section was divided into three sub-sections. The first section was about budgetary practices, the second section was about internal control practices and the last section was about accounting system in each field. The respondents were asked to

circle the number which corresponds to their degree of agreement or disagreement based on a 5-point Likert scale. The mean scores were interpreted in Table 2 as follows:

*Table 2. Mean Scores Interpretation*

Mean Scores Interval	Interpretation
1.00 – 1.49	Current financial management practices are unsatisfactory, requiring significant and immediate improvement
1.50 – 2.49	Current financial management practices need major improvement
2.50 – 3.49	Current financial management practices need some improvement
3.50 – 4.49	Current financial management practices need little improvement
4.50 – 5.00	Current financial management practices meet expectation

In order to test the inter item consistency for reliability test, the questionnaire was submitted to experts in the domain so that they can confirm that it is actually what it says it was. For that reason, the three major variables: budgetary practices (12 items), Internal control practices (13 items), accounting system (9 items) were done using the Cronbach's Alpha reliability test. The reliability was confirmed and the index for The Cronbach's Alpha obtained are shown below in the following table.

*Table 3. Reliability Statistics*

Variables	Cronbach's Alpha	N of Items
Budgetary Practices	0.651	12
Internal Control Practices	0.833	13
Accounting System	0.785	9

### **Data Collection Procedure**

Upon approval of the proposal and consultation with the primary Adviser, the researcher sought the consent of the leaders of the Union for authorization to collect data from the respondents. The researcher also explained the nature of the study to the respondents and seeks their voluntary participation. Questionnaire was administered via district leaders in order to ensure effective distribution. Face to face structured interview was done with treasurers of Fields in order to receive enough information about financial management practice in their Fields.

### **Ethical Considerations**

Ethical consideration was addressed both by the researcher and the respondent. Before collecting any information, the consent of the respondents was required. The respondents were asked to be truthful and honest in the responses. The researcher treated the information received from the respondent with confidentiality. To protect the respondents, no names were required on the questionnaires and the respondents were asked to work as individuals and not to discuss the responses with others.

### **Method of Data Analysis**

After collecting, and before analyzing data, the researcher edited them to ensure their completeness and consistency. Then the data were coded for analysis, “data coding is assigning a number to the participants’ responses so they can be entered into a database” (Sekaran & Bougie 2013, p 276). The data was analyzed by using statistical package for social scientists (SPSS) to generate descriptive such as frequencies and percentages, mean and standard deviations to answer the research questions.

## CHAPTER 4

### RESULTS AND DISCUSSIONS

This chapter presents the findings and analysis of data collected from respondents within the Burundi Union's Fields. The researcher analyzed the collected data by using descriptive statistics in the form of tables, in which mean and standard deviation, frequencies and percentages are presented. The findings of the study are discussed under following points:

Firstly, the demographic characteristics of respondents are presented; secondly, the essential aspects of financial management such as budgeting, internal control practices and financial accounting within 4 Fields are described and analyzed; thirdly, the financial condition of each Field as well as the financial statements are analyzed; fourthly, the researcher proposes the strategies to be taken in order to improve financial management practice at Burundi union 'Fields. In addition to that point, the researcher presented what revealed the interviews done with Fields' treasurers.

#### **Demographic Characteristics of the Respondents**

The study is based on the 82 respondents who returned their completed questionnaires from a total of 86 who were asked to be participants. The results in Tables 4, 5, 6, and 7 contain the findings of the demographic characteristics of the respondents.

Table 4. Hope Field Respondents' Demographics

Characteristic		Frequency	Percentage
<b>Gender</b>	Male	13	72
	Female	5	28
	<b>Total</b>	<b>18</b>	<b>100</b>
<b>Ages range</b>	less than 30		
	years		
	30-40	8	44
	41-50	10	56
	51-60		
	Over 60 years		
<b>Total</b>	<b>18</b>	<b>100</b>	
<b>Level of education</b>	Certificate	5	28
	Diploma	5	28
	Bachelor's	6	33
	degree		
	Master's degree	2	11
	Doctorate		
<b>Total</b>	<b>18</b>	<b>100</b>	
<b>Position in the institution</b>	Officer	3	17
	Department	2	10
	Accountant	1	6
	Cashier	1	6
	Internal	1	6
	controller		
	Ex Com.	10	55
	member		
<b>Total</b>	<b>18</b>	<b>100</b>	
<b>Employment years in the organization</b>	less than 3 years		
	3-5 years	8	44
	6-8 years		
	9-11 years	3	16
	12-15 years	5	28
	more than 15	2	12
	years		
<b>Total</b>	<b>18</b>	<b>100</b>	



Table 4 shows that at Hope Field, the majority of the respondents were males (72%) while females constitute 28%. The majority of the respondents were aged between 41-50 (56%) followed by those who were between 30-40 years (44%). This means that Hope Field have workers who are fully grown adults (not too old and not too young). 33% of the group were Bachelor's degree holders, followed by Certificate degree holders at 28% and diploma holders at 28%. The Master's degree holders made 11% of the group of respondents. These show that the majority of respondents were educated and can contribute with their skills to the good management of the Fields. The position of the respondents in the institution are made up of 55% lay executive committee members, 17% are officers, 10% chiefs of departments. The rest are an accountant, a cashier and an internal controller. About the years of service, the majority of the respondents have worked for 3-5 years (44%), followed by 28% for those between 12 and 15 years. Only 12% have worked for more than 15 years.

Table 5. Light Field Respondents' Demographics

Characteristic		Frequency	Percentage
<b>Gender</b>	Male	15	75
	Female	5	25
	<b>Total</b>	<b>20</b>	<b>100</b>
<b>Ages range</b>	Less than 30 years	1	5
	30-40	7	35
	41-50	8	40
	51-60	3	15
	Over 60 years	1	5
	<b>Total</b>	<b>20</b>	<b>100</b>
<b>Level of education</b>	Certificate	4	20
	Diploma	6	30
	Bachelor's degree	10	50
	Master's degree		
	Doctorate		
	<b>Total</b>	<b>20</b>	<b>100</b>
<b>Position in the institution</b>	Officers	3	15
	Chef department	2	10
	Accountants	1	5
	Cashiers	1	5
	Internal controller	1	5
	Lay executive committee members	12	60
	<b>Total</b>	<b>20</b>	<b>100</b>
	<b>Employment years in the organization</b>	less than 3 years	
3-5 years		10	50
6-8 years		5	25
9-11 years		3	15
12-15 years			
more than 15 years		2	10
<b>Total</b>	<b>20</b>	<b>100</b>	

Table 5 above shows that at Light Field, the majority of the respondent were males (75%) while females constitute 25%. Also, the majority of respondents were aged between 41-50 (40%) followed by 35% aged between 30-40 years, followed by 15% for 51-60 years. Bachelor's degree holders were the most common at 50% followed by diploma holders (30%) and Certificate holders at 20%. The majority of the respondents occupied the position of lay executive committee members 60%, followed by officers 15%, the others were chiefs of departments 10%, accountant 5%, cashier 5% and internal controller 5%. Concerning the experience, majority of the respondent have worked for only 3-5 years (50%), followed by those between 6-8 years (25%), 15% for 9-11 years, and only 10% of the respondents have worked for more than 15 years.

Table 6 shows that at Peace Field, the majority of the respondent were males (71.4%) while females constitute 28.6%. The majority of respondents were aged between 41-50 (47.6%).

Table 6. Peace Field Respondents' Demographics

Characteristic	Choice	Frequency	Percentage	
<b>Gender</b>	Male	15	71.4	
	Female	6	28.6	
	<b>Total</b>	<b>21</b>	<b>100</b>	
<b>Ages range</b>	less than 30 years	-	-	
	30-40	6	28.6	
	41-50	10	47.6	
	51-60	3	14.3	
	Over 60 years	2	9.5	
	<b>Total</b>	<b>21</b>	<b>100</b>	
<b>Level of education</b>	Certificate	3	14.3	
	Diploma	10	47.6	
	Bachelor's degree	6	28.6	
	Master's degree	2	9.5	
	Doctorate	-	-	
	<b>Total</b>	<b>21</b>	<b>100</b>	
<b>Position in the institution</b>	Officers	3	14.3	
	chef department	3	14.3	
	Accountants	1	4.8	
	Cashiers	1	4.8	
	Internal controller	1	4.8	
	Lay executive committee members	12	57	
	<b>Total</b>	<b>21</b>	<b>100</b>	
	<b>Years of Employment in organization</b>	less than 3 years		
		3-5 years	12	57.1
		6-8 years	3	14.2
9-11 years		-	-	
12-15 years		1	4.8	
more than 15 years		5	23.9	
<b>Total</b>		<b>21</b>	<b>100</b>	

Regarding the level of education, Diploma holders were more common in that Field (47.6%), followed by Bachelors' degree holders (28.6%) whereas 14.3% held a Certificate. 57% of the respondents are Lay executive committee members, followed by officers 14.3%, the rest were chiefs of departments (14.3%), an accountant, a cashier and an internal controller. The majority of the respondents have worked for only 3-5 years (57.1%), followed those who have worked for more than 15 years (23.9%), 14.2% worked between 6 and 8 years, and 4.8% 12 and 15 years.

Table 7. Maranatha Field Respondents' Demographics

<b>Characteristic</b>	<b>Choice</b>	<b>Frequency</b>	<b>Percentage</b>	
<b>Gender</b>	Male	14	60.8	
	Female	9	39.2	
	<b>Total</b>	<b>23</b>	<b>100</b>	
<b>Ages range</b>	less than 30 years	-	-	
	30-40	5	21.7	
	41-50	11	47.8	
	51-60	1	4.3	
	Over 60 years	6	26.2	
	<b>Total</b>	<b>23</b>	<b>100</b>	
<b>Level of education</b>	Certificate	3	13.2	
	Diploma	10	43.4	
	Bachelor's degree	9	39.1	
	Master's degree	1	4.3	
	Doctorate	-	-	
	<b>Total</b>	<b>23</b>	<b>100</b>	
<b>Position in the institution</b>	Officers	3	13.04	
	chef department	4	17.4	
	Accountants	2	8.7	
	Cashiers	1	4.3	
	Internal controller	1	4.3	
	Lay executive	12	27.6	
	committee members			
	<b>Total</b>	<b>23</b>	<b>100</b>	
	<b>Years of employment in organization</b>	less than 3 years	-	-
		3-5 years	7	30.5
6-8 years		3	13	
9-11 years		5	21.7	
12-15 years		4	17.4	
more than 15 years		4	17.4	
<b>Total</b>		<b>23</b>	<b>100</b>	

Table 7 shows that the majority of the respondents at Maranatha Field are males (60.8%) while females constitute 39.2%.

Majority of respondents were aged between 41-50 (47.8%), followed by 26.2% who had over 60 years, followed by 21% who were between 30-40 years; and 4.3% for the ages of 51-60 years.

The highest percentage (43.4%) had a Diploma degree, followed by bachelor' degree holders 39.1%. Concerning the position in the institution, respondents were as followed. The composition of the position was as follows: lay executive committee members (27.6%), heads of department (17.4%), officers (13.4%), accountants (8.7%), cashiers (4.3%) and internal controller (4.3%). One third of the respondents have 3-5 years of experience; 21.7% had between 9 and 11 years; 17.4% had more than 15 years of service and 13% had between 6 and 8 years.

### **Research Question 1**

To what extent are the Fields effective in managing their finances as determined by their: (a) budgeting and budgetary control practice (b) Financial Internal control practice and (c) Accounting system?

The first financial management practice principle which was assessed was budgeting and budgetary control practices in each Field, composed of 12 elements. The findings are presented in Tables 8 to 11.

Table 8. Hope Field Budgeting and Budgetary Control Practices

	Mean	Standard deviation
Every year, my organization develops a formal written budget.	4.9	0.2
Directors of departments prepare separate budgets according to their needs and submit them to the treasurer.	4.1	1.0
My organization has a budget committee.	4.9	0.2
The annual budget is reviewed and approved by the board of directors.	5	0
I participate in the budget review process.	2.9	1.7
My organization compares and analyzes variances between actual realization to planned revenues and expenses.	3.1	0.9
The budget is used to control finances in my organization.	3	1.0
The budget is used to make financial decisions by officers of in my organization.	3.4	1.1
Budget helps to allocate appropriate resources to projects.	3.3	0.9
Budget helps to meet the objectives of an organization.	3.4	0.8
If targets are met, workers receive financial rewards.	3.3	1.0
Budget is used to evaluate performance of workers.	3.1	1.0
<b>Overall Average</b>	<b>3.72</b>	<b>0.46</b>

Table 8 shows that the budgetary practice at Hope Field is generally effective given its overall mean of 3.72 and standard deviation of 0.46. However, it appears that at Hope Field some people do not participate in the budget review process as it is shown in the same table (mean of 2.9). Also, improvement is needed in using the budget to control finances and to evaluate performance of workers (Mean = 3).



*Table 9. Light Field Budgeting and Budgetary Control Practices*

	<b>Mean</b>	<b>Standard deviation</b>
Every year, my organization develops a formal written budget.	4.7	0.5
Directors of departments prepare separate budgets according to their needs and submit them to the treasurer.	2.0	0.8
My organization has a budget committee.	4.0	1.0
The annual budget is reviewed and approved by the board of directors.	4.4	0.6
I participate in the budget review process.	1.6	1.2
My organization compares and analyzes variances between actual realization to planned revenues and expenses.	2.7	0.8
The budget is used to control finances in my organization.	2.8	0.7
The budget is used to make financial decisions by officers of my organization.	2.2	0.6
Budget helps to allocate appropriate resources to projects.	3.5	0.9
Budget helps to meet the objectives of an organization.	3.4	0.9
If targets are met, workers receive financial rewards.	4.0	1.0
Budget is used to evaluate performance of workers.	2.3	0.9
Overall Average	3.1	0.2

Table 9 shows the extent at which budgetary practices are implemented at Light Field. From the analysis it is clear that there is need for some improvement in the practices as reflected by an average mean and standard deviation of 3.1 and 0.2 respectively. For example, the respondents implied that the preparation and the implementation of budget are not appropriate because the table shows that directors of departments don't prepare and submit to the treasurer their needs (mean score = 2). Also, the level of participation to the review process of budget (mean of 1.6); officers use of the budget to make decision (mean of 2.2) and using the budget evaluate performance of workers (mean of 2.3) needs major improvement. Budgeting participation is a process whereby key employees such as departmental leaders are given the chance to get involved in and have influence on the budget setting process which can have a positive effect on employees' level of commitment. Therefore, it is

very important for the entire budgeting process to be participatory. Also, since the operating budget control the activities authorized to carry out plans, it is very important for top leaders to consult the budget when making decisions.

*Table 10. Peace Field Budgeting and Budgetary Control Practices*

	<b>Mean</b>	<b>Standard deviation</b>
Every year, my organization develops a formal written budget.	5.0	0.0
Directors of departments prepare separate budgets according to their needs and submit them to the treasurer.	3.5	0.9
My organization has a budget committee.	4.8	0.4
The annual budget is reviewed and approved by the board of directors.	4.8	0.4
I participate in the budget review process.	2.6	1.3
My organization compares and analyzes variances between actual realization to planned revenues and expenses.	4.0	0.8
The budget is used to control finances in my organization.	4.0	0.9
The budget is used to make financial decisions by officers of in my organization.	4.2	0.8
Budget helps to allocate appropriate resources to projects.	4.2	0.5
Budget helps to meet the objectives of an organization.	4.1	0.7
If targets are met, workers receive financial rewards.	4.3	0.6
Budget is used to evaluate performance of workers.	3.6	0.8
<b>Total</b>	<b>4.1</b>	<b>0.3</b>

The findings in Table 10 show that the elements of budgetary practice were appropriately used by Peace Field as is revealed by its overall mean of 4.1.

Consequently, the respondents ensure that the preparation and implementation of budget is clearly defined (as shown by different means). However, a low mean score of 2.6 reveals that participation in budget reviews in Peace Field needs some improvement.

*Table 11. Maranatha Field Budgetary and Budgetary Control Practices*

	<b>Mean</b>	<b>Standard deviation</b>
Every year, my organization develops a formal written budget.	5.0	0.0
Directors of departments prepare separate budgets according to their needs and submit them to the treasurer.	4.0	1.0
My organization has a budget committee.	4.6	0.5
The annual budget is reviewed and approved by the board of directors.	4.8	0.4
I participate in the budget review process.	3.1	1.3
My organization compares and analyzes variances between actual realization to planned revenues and expenses.	2.0	0.8
The budget is used to control finances in my organization.	2.1	1.1
The budget is used to make financial decisions by officers of in my organization.	2.0	1.2
Budget helps to allocate appropriate resources to projects.	3.6	1.3
Budget helps to meet the objectives of an organization.	3.6	1.3
If targets are met, workers receive financial rewards.	3.6	1.2
Budget is used to evaluate performance of workers.	3.9	0.6
<b>Total</b>	<b>3.5</b>	<b>0.4</b>

The survey results as shown in Table 11 reveal that the mean score implementation of budgetary practices at Maranatha Field ranges between a low of 2 and a high of 5. An overall mean of 3.5 was attained which shows that current practices exists but need improvement for the Field to meet the desired expectations. However, there are no variance analyses done between the actual and the budgeted amount. This is further confirmed from Table 21, where the operating budget is not posted in the accounting books of the Field. The failure to post the budget in the accounting books makes it very difficult to make a comparison, hence a mean of 2. Related to that, a mean of 2.1 shows that thus making it difficult for the officers to use the budget for decision making.

The second financial management practice principle which was assessed was the internal control practice in each Field. Internal control practice is measured by 13 items in the questionnaire. The standards deviations indicate relatively small variances around the mean. The findings are presented in Tables 12 to 15.

*Table 12. Hope Field Internal Control Practice*

	<b>Mean</b>	<b>Standard deviation</b>
My organization has documentation of internal control procedures.	3.4	0.9
All assets within my organization are well secured and protected.	3.7	0.8
Guidelines like working policies are followed when spending money in my organization.	3.9	1.0
Officer's decisions are made in consultation with the executive committee.	4.0	1.0
Computers and servers are maintained in a secure area.	3.0	1.0
Every year, external auditors from GCAS come and audit my organization.	2.3	1.5
Deficiencies found in internal control are reported to the board of committee.	4.3	0.8
Periodic comparison of amount recorded by the accounting with physical asset is done in my organization.	4.33	0.6
There are regular bank and cash reconciliation in my workplace.	4.8	0.4
We have an internal auditor in charge of local churches.	4.7	0.5
Internal auditor in your organization has sufficient skills in auditing function.	3.4	1.0
The internal auditor regularly meets with churches treasurers to discuss irregularities found during collecting, recording and sending offerings to the Field.	3.0	1.03
There is separation of cashier personnel from accounting duties in my workplace.	4.3	0.8
<b>Total</b>	<b>3.7</b>	<b>0.3</b>

Table 12 above shows results on the respondents' perception of the use of internal control practice. The results show that the use of internal control at Hope Field is appropriate (mean of 3.7). However, a low mean of 2.3 on the questionnaire "Every year external auditors from GCAS come and audit my organization" shows that the intervention of General Conference auditing service (GCAS) in enforcing the internal control at Hope Field is minimal.

*Table 13. Light Field Internal Control Practice*

	<b>Mean</b>	<b>Standard deviation</b>
My organization has documentation of internal control procedures.	2.4	1.1
All assets within my organization are well secured and protected.	4.1	0.9
Guidelines like working policies are followed when spending money in my organization.	3	1.0
Officer's decisions are made in consultation with the executive committee.	3.7	0.9
Computers and servers are maintained in a secure area.	2.6	1.0
Every year, external auditors from GCAS come and audit my organization.	1.8	0.9
Deficiencies found in internal control are reported to the board of committee.	4.1	0.4
Periodic comparison of amount recorded by the accounting with physical asset is done in my organization.	2.3	0.9
There are regular bank and cash reconciliation in my workplace.	2.8	0.9
We have an internal auditor in charge of local churches.	4.3	0.5
Internal auditor in your organization has sufficient skills in auditing function.	2.4	0.7
The internal auditor regularly meets with churches treasurers to discuss irregularities found during collecting, recording and sending offerings to the Field.	2.4	0.8
There is separation of cashier personnel from accounting duties in my workplace.	3.5	1.0
<b>Total</b>	<b>3</b>	<b>0.2</b>

Results in Table 13 indicate an average mean score of 3 on the use of internal control. Verbally interpreted this suggests that internal controls are implemented at Light Field but there is need for improvement. Respondents disagree that there isn't periodic comparison of amount recorded by the accounting with physical asset (see mean of 2.3), there is no regular reconciliation of cash and bank (2.8). Also, Light Field internal auditor don't meet churches treasurers to discuss irregularities found in collecting, recording and sending offerings (mean of 2.4). GCAS is not regular in auditing (mean of 1.8).

*Table 14. Peace Field Internal Control Practice*

	<b>Mean</b>	<b>Standard deviation</b>
My organization has documentation of internal control procedures.	2.8	1.1
All assets within my organization are well secured and protected.	3.7	0.6
Guidelines like working policies are followed when spending money in my organization.	3.8	0.8
Officer's decisions are made in consultation with the executive committee.	3.8	0.8
Computers and servers are maintained in a secure area.	4.0	0.3
Every year, external auditors from GCAS come and audit my organization.	2.1	1.0
Deficiencies found in internal control are reported to the board of committee.	4.0	0.5
Periodic comparison of amount recorded by the accounting with physical asset is done in my organization.	3.33	1.0
There are regular bank and cash reconciliation in my workplace.	4.5	0.7
We have an internal auditor in charge of local churches.	4.67	0.5
Internal auditor in your organization has sufficient skills in auditing function.	4.0	0.6
The internal auditor regularly meets with churches treasurers to discuss irregularities found during collecting, recording and sending offerings to the Field.	4.2	0.6
There is separation of cashier personnel from accounting duties in my workplace.	4.2	0.7
<b>Total</b>	<b>3.8</b>	<b>0.2</b>

Table 14 shows an average mean and standard deviation of 3.8 and 0.2 respectively on the implementation of internal control practices at Peace Field. This clearly indicates that respondents agree that practice of internal control at Peace Field is in good condition. However, mean scores of 2.8 and 2.1 reveal that the internal control procedures are not documented and that GCAS external audits are not regular in the Field. To support that reviews of the Field's financial statements revealed that 2016 and 2017 statements were not audited by GCAS.

Table 15. Maranatha Field Internal Control Practice

	Mean	Standard deviation
My organization has documentation of internal control procedures.	3.5	0.9
All assets within my organization are well secured and protected.	3.7	1.0
Guidelines like working policies are followed when spending money in my organization.	3.8	0.8
Officer's decisions are made in consultation with the executive committee.	4.3	0.4
Computers and servers are maintained in a secure area.	4.1	0.5
Every year, external auditors from GCAS come and audit my organization.	2.0	1.4
Deficiencies found in internal control are reported to the board of committee.	3.7	1.0
Periodic comparison of amount recorded by the accounting with physical asset is done in my organization.	3.9	0.7
There are regular bank and cash reconciliation in my workplace.	4.2	0.5
We have an internal auditor in charge of local churches.	4.4	0.5
Internal auditor in your organization has sufficient skills in auditing function.	4.1	0.6
The internal auditor regularly meets with churches treasurers to discuss irregularities found during collecting, recording and sending offerings to the Field.	4.0	0.4
There is separation of cashier personnel from accounting duties in my workplace.	4.13	0.5
<b>Total</b>	<b>3.8</b>	<b>0.3</b>

The findings in Table 15 show that the use of elements of internal control as a principle of financial management practice was good at Maranatha Field (mean of 3.8). However, a mean score of 2 reveals that external auditors (GCAS) did not audit the field. Financial statements of the field revealed that the institution was not audited for two years.

The third financial management aspect assessed was the Financial Accounting System in the Fields. Below are the findings presented from Tables 16 to 19 below. In



general, there are small variances around the means, indicating that there is consensus about the responses.

*Table 16. Hope Field Financial Accounting Systems*

	<b>Mean</b>	<b>Standard deviation</b>
Periodic financial statements are prepared.	4.5	0.5
Financial statements are submitted to the executive committee for approval	4.8	0.4
My organization has established written policies relating to the accounting practice.	3.8	1.0
Accountant's functions are separate from the function of receipt and payment of cash.	4.6	0.5
All accounting data is approved by the treasurer to test the accuracy and reliability of the transaction before each production of financial reporting.	4.6	0.5
Officers make decisions according to the financial indicator ratios.	2.5	1.04
My organization is doing well with finances.	3.0	0.7
My organization is able to pay for its short-term obligations without any delay.	2.4	0.9
My organization has enough operating income to cover all operating expenses	4.6	0.5
<b>Total</b>	<b>3.9</b>	<b>0.3</b>

From the analysis in Table 16, the mean scores for the test questionnaires range from 2.4 to 4.8. Overall, the extent at which Financial Accounting Systems are used is good although there is need for improvement. The lowest mean of 2.4 on the survey referred to the question of the ability of the organization to pay its short-term obligations without delay. This mean score reveals that the organization delay in paying its short-term obligations and thus there is need for major improvement on this practice.

*Table 17. Light Field Financial Accounting System*

	<b>Mean</b>	<b>Standard deviation</b>
Periodic financial statements are prepared.	2.0	0.8
Financial statements are submitted to the executive committee for approval	3.5	0.7
My organization has established written policies relating to the accounting practice.	3.3	0.7
Accountant's functions are separate from the function of receipt and payment of cash.	3.9	0.6
All accounting data is approved by the treasurer to test the accuracy and reliability of the transaction before each production of financial reporting.	3.1	1.3
Officers make decisions according to the financial indicator ratios.	2.1	0.4
My organization is doing well with finances.	2.3	0.7
My organization is able to pay for its short-term obligations without any delay.	2.2	0.6
My organization has enough operating income to cover all operating expenses	3.7	0.6
<b>Total</b>	<b>2.9</b>	<b>0.2</b>

The total average mean of 2.9 in Table 17 shows that the currently implemented financial systems need some improvement. According to the findings several practices are not performed well and major improvement are required, for instance periodic financial statements preparation (mean of 2), officers decision-making using financial ratio indicators (mean of 2.1), financial performance (mean 2.3) and ability to pay short-term obligations without delays (mean 2.2).

*Table 18. Peace Field Financial Accounting Systems*

	<b>Mean</b>	<b>Standard deviation</b>
Periodic financial statements are prepared.	4.5	0.5
Financial statements are submitted to the executive committee for approval	4.4	0.8
My organization has established written policies relating to the accounting practice.	3.4	1.2
Accountant's functions are separate from the function of receipt and payment of cash.	4.2	0.7
All accounting data is approved by the treasurer to test the accuracy and reliability of the transaction before each production of financial reporting.	4.3	0.6
Officers make decisions according to the financial indicator ratios.	3.8	0.8
My organization is doing well with finances.	4.0	0.5
My organization is able to pay for its short-term obligations without any delay.	4.3	0.8
My organization has enough operating income to cover all operating expenses	4.1	1.0
<b>Total</b>	<b>4.1</b>	<b>0.2</b>

Table 18 shows results on the implementation of financial reporting systems at Peace Field. From the analysis an overall mean of 4.1 was attained which means that the practices are being carried on.

Table 19 (below) shows results of respondents on the use of Financial Accounting System at Maranatha Field. The overall mean is 4.1 and is verbally interpreted as current financial management practices generally are in place.

Table 19. Maranatha Field Financial Accounting System

	Mean	Standard deviation
Periodic financial statements are prepared.	4.7	0.7
Financial statements are submitted to the executive committee for approval	4.6	0.5
My organization has established written policies relating to the accounting practice.	3.9	0.9
Accountant's functions are separate from the function of receipt and payment of cash.	4.2	0.5
All accounting data is approved by the treasurer to test the accuracy and reliability of the transaction before each production of financial reporting.	4.3	0.5
Officers make decisions according to the financial indicator ratios.	3.7	0.7
My organization is doing well with finances.	4.0	0.7
My organization is able to pay for its short-term obligations without any delay.	4.0	0.9
My organization has enough operating income to cover all operating expenses	4.1	0.7
<b>Total</b>	<b>4.1</b>	<b>0.15</b>

## Research Question 2

What is the financial condition of Burundi Union Fields for the periods 2015-2017 as determined by:

- a. Working capital
- b. Liquidity
- c. Self-support.

The research question seeks to discover the financial condition of each Field from the period of 2015-2017 in term of working capital, liquidity ratio and self-support ratio. The results are found from the analysis of the statement of financial activity where revenues, expenses and operating budget are presented. Also, the notes to the financial statement of working capital and liquidity are presented and analyzed. The amounts are expressed in local currency which is Burundi International Francs (BIF). The self-support ratio is calculated to see the ability of the organization's

operating income in covering all operating expenses. Tables 20 to 23 show the elements for each Field during the period of 2015 to 2017.

*Table 20. Hope Field Financial Statement Analysis*

Elements of Financial Statement	Dec 31 <sup>st</sup> , 2015		Dec 31 <sup>st</sup> , 2016		Dec 31 <sup>st</sup> , 2017	
	Realization	Operating budget	Realization	Operating budget	Realization	Operating budget
Total operating income (1)	267,247,058	140,293,086	230,851,640	150,579,531	283,945,263	-
Total operating expenses (2)	192,739,278	122,679,858	198,115,548	172,901,051	223,861,100	-
Percentage of recommended working capital (3)	42.81%		62.22%		99.38%	
Liquidity ratio (4)	12.78%		45.35%		61.51%	
Self-support ratio (5) (=1/2)	138.6%		116.2%		126.8%	

Source: 2015, 2016, and 2017 financial statements at Hope Field

Table 20 displays the financial ratios for Hope Field for 3 years 2015 to 2017. From the analysis the working capital and liquidity ratios are below the required standard of 100%, which is according to the working policy. For the three years under review 2015 - 2017 as shown in the Table 19, the working capital ratios were 42.81%, 62.22%, and 99.38% respectively, although it should be noted that steady progress was made especially for 2017 where the ratio is close to 100%. According to Auerbach (2005), working capital indicates the solvency of a company. In Hope Field, the working capital for the three years is below the recommended ratio of

100%, which means that the current assets are not able to meet short-term obligations. Liquidity ratio according to Mbeba (2008) is the degree at which a company can use cash to pay its short-term liabilities. At Hope Field, liquidity ratios for 3 years 2015 to 2017 are below 100% as shown in Table 20, 12.78%, 45.35% and 61.51%. These ratios show that cash available is less than current liabilities.

Consequently, Hope Field's cash is not able to pay the short-term debts. Other findings show that, on one hand, the revenues realized at the end of 2015 and 2016 are bigger than revenues planned but on other hand, expenses realized are bigger than expenses planned. This situation cannot improve income at the Hope Field. Also, the 2017 budget was not posted in the financial statements of Hope Field and thus cannot play its roles as an instrument of control. Operating income for three years covers all expenses as shown by self-support ratios in Table 20 which all self-support ratios are superior to 100% (138.6%, 116.2%, 126.8%).

The results of the analysis presented in Table 21 show percentages of working capital of 9.52%, 19%, and 77%. These ratios are below 100%, which is an indication that Light Field's current assets do not cover its current liabilities. Also, liquidity ratios during the 3 years are less than 100%. This means that cash can't pay the short-term debtors as shown by its liquidity ratios of 40.15%, 4.8%, and 37%. Concerning the self-support ratio, it is evident that operating income cover operating expenses for each year.

Table 21. Light Field Financial Statement Analysis

Elements of Financial Statement	Dec 31 <sup>st</sup> , 2015		Dec 31 <sup>st</sup> , 2016		Sept 30, 2017	
	Realization	Operating budget	Realization	Operating budget	Realization	Operating budget
<b>Total operating income (1)</b>	167,414,813	-	138,908,728	9,520,437	169,406,798	123,818,748
<b>Total operating expenses (2)</b>	169,601,264	-	138,057,180	10,201,271	124,404,791	119,554,973
<b>Percentage of recommended working capital (3)</b>	9.52%		19%		77%	
<b>Liquidity ratio (4)</b>	42%		41.8%		37%	
<b>Self-support ratio (5) (=1/2)</b>	98.7%		100.6%		136.1%	

Source: 2015, 2016, and 2017 Financial statements at Light Field

Another finding is that financial statements of 2017 are not regularly produced. When the researcher was collecting data at the beginning of March 2018 in that Field, the last financial statements were for September 2017.

Table 22. Peace Field Financial Statement Analysis

Dec 31 <sup>st</sup> , 2015		Dec 31 <sup>st</sup> , 2016		Dec 31 <sup>st</sup> , 2017		
Elements of Financial Statement	Realization	Operating budget	Realization	Operating budget	Realization	Operating budget
Total operating income(1)			286,278,515	220,289,493	385,055,295	260,129,917
Total operating expenses(2)			242,174,179	185,359,493	312,016,873	244,729,911
Percentage of recommended working capital (3)			60%	75%		
Liquidity ratio (4)			37%	132%		
Self-support ratio(5) (=1/2)			118%	123%		

Source: 2016 and 2017 financial statements at Peace Field

For the year of 2015, Peace Field was not in existence, its operations are started in 2016. From Table 22, the findings show that revenues realized are above the planned revenues for 2016 and 2017. At the same time, expenses realized are above the planned expenses. The percentage of working capitals for the years under consideration shows that the current assets do not cover the current liabilities. The liquidity ratio for 2016 was 37% meaning that the Field's cash couldn't pay its short-term debts however, for 2017 the liquidity ratio was increased to 132% indicating a major improvement. For the ratio of self-support, the table shows that operating income can cover operating expenses with surplus of 18% for 2016 and 23% for 2017.



Table 23. Maranaha Field Financial Statement Analysis

Elements of Financial Statement	Dec 31 <sup>st</sup> , 2015		Dec 31 <sup>st</sup> , 2016		Dec 31 <sup>st</sup> , 2017	
	Realization	Operating budget	Realization	Operating budget	Realization	Operating budget
Total operating income(1)	487,619,933	-	381,649,527	-	465,551,065	-
Total operating expenses(2)	450,801,456	-	396,704,710	-	408,318,733	-
Percentage of recommended working capital (3)	92.29%		96.19%		115%	
Liquidity ratio (4)	95.35%		116.32%		95.53%	
Self-support ratio(5) (=1/2)	108%		96.20%		114%	

Source: 2015, 2016, and 2017 financial statements at Maranatha Field

From Table 23, the researcher can't make comparison between realization in revenues and expenses with operating budget because budget is not posted in the accounting books of Maranatha Field. For the years of 2015 and 2016, working capital of 92.29% and 96.16% are fewer than 100%. Thus, the current asset do not cover current liabilities. However, for 2017, working capital of 115% shows that the current assets do cover current liabilities and make an excess of 15% for investments. Concerning the liquidity ratio, only for the year of 2016, cash was able to pay short-term obligations. But for 2015 and 2017, ratio of liquidity was not able to cover all current liabilities. However, concerning the year of 2015 and 2017, operating income could cover operating expenses with an excess of respectively 8% (108%-100%) and

14% (114%-100%). Only for the year of 2016, the operating incomes were less than operating expenses which is shown by its self-support ratio of 96.20%.

### **Research Question 3**

#### **Strategies to Improve the Financial Management Practice at Burundi Union's Fields**

Based on the findings of the study, the strategies involve the improvement of budgeting/budgetary practice, internal control, and accounting system in each Field. Before proposing the strategies, though, the researcher thought it necessary to interview the financial officers of the fields on the challenges that they meet and on their view about what can be done to redress the situation. The Hope Field's treasurer mentions a challenge of the lack of staff sufficient to occupy a single function. Concerning the measures, they protect the assets of the mission and the following actions are taken: verify the authenticity of the documents, reconcile the cash and the bank, and control the stock and not to spend excessively. At the Light Field, the treasurer indicates that he is aware that revenues are insufficient. Regarding internal control, they try to reconcile the cash and the bank, and ask that there are two signatures before allowing the disbursement of the funds. The budget is used to compare the achievements with the expenses and revenues planned. The Peace Field has just started its operations. For this reason, the Field has a lot of expenses regarding the renting the houses of its workers as well as renting a house that serve as an office. Also, the workers carry more than one responsibility. In spite of these difficulties, the Field considers the budgeted amounts before doing any expenditure. Regarding internal control, it is done regularly in the cash and the bank. In case of dubious invoices, they go to check their authenticity with their clients. In the local churches, there is an auditor. As for the Maranatha Field, to prevent fraud, the Peace

Field introduced the internal control system and work on the job description. The Peace Field does not have enough staff to separate the functions.

Therefore, the following Tables 24 to 27 indicate the summary of objectives, strategies, actions and person responsible for each activity, Field by Field proposed by the researcher.

*Table 24. Strategies to Hope Field*

<b>Objectives</b>	<b>Strategies</b>	<b>Actions</b>	<b>Responsible</b>
<b>Improve Budgetary Practice</b>	1.Improve the preparation and the implementation of budget	- include key employees in the process of reviewing the budget	Officers
	2.Promote the use of budget as an instrument of control and evaluation	- post every operating budget in the book of accounting	Accountant
<b>Enforcing the internal Control</b>	1. Improving the auditing of Fields	-Request of regular audit by GCAS -Facilitate the auditors treasurers by giving him budget	Officers Officers
	2. Safeguard asset of Fields	Protect and avoid misuse of asset	All employees
<b>Enhancing accounting System</b>	1.Produce sound and periodic financial statement	- post all transactions and produce financial statement without delay	Accounting
		-Use of ratio in making decision	Officers
		- know to interpret the financial indicators of ratios and make decision accordingly	Officers

Table 25. Strategies to Light Field

Objectives	Strategies	Actions	Responsible
<b>Improve Budgetary Practice</b>	1.Improve the preparation and the implementation of budget	Allow the department's directors to express their needs in a separate budget to be included in operating budget	Department's Directors
		- include key employees in the process of reviewing the budget	Officers
	2.Promote the use of budget as an instrument of control and Evaluation	- post budget in the book of accounting	Accountant
		- compare actual realization to planned revenues and expenses	Treasurers
<b>Enforcing the internal Control</b>	1. Improving the auditing of Fields	- consult budget when making decision	Officers
		- Put in place the documentation of internal control	Fields' officers
		-Request of regular audit by GCAS	Treasurers
	2. Improving the church Audit	Recruit internal controller with competence	Treasurers
		Facilitate the auditors to work with local church treasurers by giving him budget.	Treasurers
		3. Safeguard asset of Fields	- Reconcile the cash and bank accounts
<b>Enhancing accounting System</b>	Produce sound and periodic financial statement	-Compare amount recorded with physical asset	Treasurers
		- protect and avoid misuse of asset	all employees
		- post all transactions	Accounting
		and produce financial statement without delay	Officers
		-Use of ratio in making Decision	Officers
		- know to interpret the financial indicators of ratios	Officers

*Table 26. Strategies to Peace Field*

<b>Objectives</b>	<b>Strategies</b>	<b>Actions</b>	<b>Responsible</b>
<b>Improve Budgetary Practice</b>	1.Improve the preparation and the implementation of budget	- include key employees in the process of reviewing the budget	Officers
<b>Enforcing the internal Control</b>	1. Improving the auditing of Fields	- Put in place the documentation of internal control -Request of regular audit by GCAS	Fields' officers  Fields' officers

*Table 27. Strategies to Maranatha Field*

<b>Objectives</b>	<b>Strategies</b>	<b>Actions</b>	<b>Responsible</b>
<b>Enforcing the internal Control</b>	1. Improving the auditing of Fields	Request of regular audit by GCAS Officers	
<b>Improve Budgetary Practice</b>	2.Promote the use of budget as an instrument of control and Evaluation	- post budget in the book of accounting - compare actual realization to planned revenues and expenses - consult budget when Make decision.	Accountant  Treasurers  Officers

## CHAPTER 5

### SUMMARY, CONCLUSION, RECOMMENDATIONS, AND SUGGESTIONS FOR FUTURE RESEARCH

#### **Summary**

The main purpose of this study was to describe the financial management practices adopted by Burundi Union Fields. The practices which are analyzed include budgetary practice, internal control, and Financial Accounting System. In addition, financial condition of each Field in term of working capital, liquidity ratio and self-support ratio were analyzed. Data for analysis was obtained by the use of questionnaire for selected workers of Burundi's union Fields. Also, structured interview was conducted with the treasurers of the Fields. All findings obtained from the questionnaire were analyzed with the aid of SPSS where the mean and standard deviation were calculated.

Concerning the budgetary practice, its purpose within Fields was to plan, control and evaluate performance of workers. Working on a budget prevents spending for unplanned expenses.

Results of data analysis show that all the Fields at Burundi Union prepare and vote for a budget before the beginning of each year. However, findings show that three Fields out of four do not use the budget as an instrument of control and evaluation as long as their budget is not recorded in the books of accounting. This is the case of Hope Field for the year of 2017, Light Field for the year of 2015 and Maranatha Field for the years of 2015, 2016, and 2017.

Concerning internal control practice, it is found that Peace Field and Light Field do not produce documentation which contains procedures of internal control. Also, external audits services by GCAS are not regular. For all Fields, only 2015 financial statement are audited. 2016 and 2017 financial statements are not yet audited. Another finding is regarding the Light Field where periodic comparison between amount recorded and physical asset can't be possible as long as long as all transactions are not posted during the period they are occurred. In addition, the Light Field use personnel in charge of local church control who hasn't sufficient skills in auditing function. Lastly, in the same Field, the internal controllers do not meet regularly with their colleagues in the local churches in order to discuss some of the issues that are raised.

Findings on accounting system are based on analysis of financial statements. Respondents in Hope Field, Peace, and Maranatha Field agree that financial statements are monthly prepared and submitted to the executive committee for approbation. However, Light Field's financial statements are not up to date. Other findings show that the calculation of working capital and liquidity ratios are not correct at Hope Field. Errors are residing on current liabilities which come with no number at each financial statement. Consequently, indicators ratios can't help the decision makers. About recommended working capital, for others Fields, finding shows that current asset can't cover current liabilities plus a specific percentage of the latest 12-month actual operating expenses plus allocated funds. Recommended working capital is less than 100% for all years except Maranatha Field at the end of 2017 where that ratio is 115%.

In addition, liquidity ratio is under 100% for all Fields at all year except Maranatha Field at 2016 (113%) and Peace Field at 2017(132%). This is meaning that

with cash Fields with liquidity ratio under 100% cannot pay their short-term obligations without delay. Lastly, findings show that self-support ratios of all Fields at all years are more than 100%. This means that operating incomes cover operating expenses with the exception of Light Field at 2015(98.7%).

### **Conclusion**

In this study, the researcher described the financial management practices of Burundi union's Fields which are Hope Field, Light Field, Peace Field, and Maranatha Field: Budgeting practice, internal control and Financial Accounting System.

The study concludes that budgeting practice, internal control practice, and Financial Accounting System were found in Burundi union's Fields. It is also concluded that if the sound adoption of those practices were adopted efficiently and effectively at each Field, they can provide solutions to the challenges such as lack of funds for the operating of an organization, increase of unplanned expenses, errors and frauds resulting in collecting, recording and sending money to the appropriate institution, irregularities on financial statement which provide error information. The study concludes that those practices should be enhanced to help the improvement of financial management of Fields.

### **Recommendations**

In general, all Fields must be encouraged to better manage their finance so that they ensure there is decrease of expenses and increase of income. Also, it is recommended that Fields need to reduce unplanned expenses by effective use of budget. Also, it is suggested to post the budget in the book of accounting so that it facilitates the comparison of realizations and planned income and expenses.



To the Fields 'officers, it is recommended that they address a request to the Union for calling GCAS after each fiscal year in order to improve financial statements of Fields.

It is recommended to the Hope Field to produce complete financial statements which include all necessary elements needed for calculation of working capital and liquidity ratio. If it is necessary, they must ask the intervention of experts from the Union or even the Division.

For Light Field, it is recommended that they should post all transactions and produce up to date financial statement. In addition, it is suggested to the Light Field that they should engage internal controller with skills required in auditing function. The internal controller must visit local church's treasurers in order to discuss about their job.

### **Suggestions for future research**

The study was done in all Burundi Union Fields. It is suggested that next study should work on other institutions of Burundi Union such as schools, health center, and publishing center. Future study could also analyze other practices such as capital budgeting practices in order to provide a better evaluation of the situation.

## APPENDIXES

APPENDIX A  
RESEARCH INSTRUMENT

Informed consent for participants

Dear Research Participant,

I am a student at Adventist University of Africa pursuing a Master Degree in Business Administration. I am conducting a research on financial management. As a valuable employee, your views and opinion are very important to this study and therefore I am inviting you to participate in this research study by completing this questionnaire with all honesty.

Please note that your responses will be confidential, do not write any identifying information such as your name, email, phone number on the questionnaire. In order to ensure that all information remain confidential, your individual responses will be coded and aggregated. Also, your participation in this study is voluntary and you may withdraw at any time without any penalty.

Thank you for taking the time to assist me in my academic endeavors. I truly appreciate your help! Thank you in advance!

Sincerely,

Candide Ndikumana, MBA Candidate.

Adventist University of Africa

## QUESTIONNAIRE

### SECTION A: Respondents' demographic

Please indicate your answer by ticking [ **X** ] in the box that best describes your demographic characteristics.

1. **Gender:** Male [  ] Female [  ]
2. **Age Range:** Less than 30 years [  ] 30- 40 years[  ] 41- 50 years [  ]  
51 – 60 years[  ] Over 60 years[  ]
3. **Indicate your highest level of Education:** Certificate[  ] Diploma[  ]  
Bachelor's Degree [  ] Master's Degree[  ] [  ] Others, please specify \_\_\_\_\_
4. **Position in the Institution:** Administrator [  ] Accountant [  ] Cashier [  ]  
] Departmental [  ] Internal auditor [  ] [  ] Others, please specify \_\_\_\_\_
5. **How long have you been working in this organization?** Less than 3 years[  ] 3 – 5 years[  ] 6 – 8 years[  ] 9 – 11 years[  ] 12 - 15 years[  ]  
Over 15 years [  ]

SECTION B: Financial management practices: Budgetary practice, internal control practice, and Financial Accounting System adopted by Burundi union's Fields. Using the scale below, indicate how true you think each statement is in your workplace.

1. Circle 1 if you Strongly Disagree with the statement
2. Circle 2 if you Disagree with the statement
3. Circle 3 if you are Unsure
4. Circle 4 if you Agree with the statement
5. Circle 5 if you strongly agree with the statement

A	Budgetary Practices	Rating Scale				
		1	2	3	4	5
1	Every year, my organization develops a formal written budget.	1	2	3	4	5
2	Directors of departments prepare separate budgets according to their needs and submit them to the treasurer.	1	2	3	4	5
3	My organization has a budget committee.	1	2	3	4	5
4	The annual budget is reviewed and approved by the board of directors.	1	2	3	4	5
5	I participate in the budget review process.	1	2	3	4	5
6	My organization compares and analyze variances between actual realization to planned revenues and expenses.	1	2	3	4	5
7	The budget is used to control finances in my organization.	1	2	3	4	5
8	The budget is used to make financial decisions by officers of in my organization.	1	2	3	4	5
9	Budget helps to allocate appropriate resources to projects.	1	2	3	4	5
10	Budget helps to meet the objectives of an organization.	1	2	3	4	5
11	If targets are met, workers receive financial rewards.	1	2	3	4	5
12	Budget is used to evaluate performance of workers.	1	2	3	4	5

B	Internal Control practice					
13	My organization has documentation of internal control procedures.	1	2	3	4	5
14	All assets within my organization are well secured and protected.	1	2	3	4	5
15	Guidelines like working policies are followed when spending money in my organization.	1	2	3	4	5
16	Officers decisions are made in consultation with the executive committee.	1	2	3	4	5
17	Computers and servers are maintained in a secure area.	1	2	3	4	5
18	Every year, external auditors from GCAS come and audit my organization.	1	2	3	4	5
19	Deficiencies found in internal control are reported to the board of committee.	1	2	3	4	5
20	Periodic comparison of amount recorded by the accounting with physical asset is done in my organization.	1	2	3	4	5
21	There are regular bank and cash reconciliation in my workplace.	1	2	3	4	5
22	We have an internal auditor in charge of local churches.	1	2	3	4	5

23	Internal auditor in your organization has sufficient skills in auditing function.	1	2	3	4	5
24	The internal auditor regularly meets with churches treasurers to discuss irregularities found during collecting, recording and sending offerings to the Field.	1	2	3	4	5
25	There is separation of cashier personnel from accounting duties in my workplace.	1	2	3	4	5

<b>C</b>	<b>Financial Accounting System</b>					
26	Periodic financial statements are prepared.	1	2	3	4	5
27	Financial statements are submitted to the executive committee for approval	1	2	3	4	5
28	My organization has established written policies relating to the accounting practice.	1	2	3	4	5
29	Accountant's functions are separate from the function of receipt and payment of cash.	1	2	3	4	5
30	All accounting data is approved by the treasurer to test the accuracy and reliability of the transaction before each production of financial reporting.	1	2	3	4	5
31	Officers make decisions according to the financial indicators ratios.	1	2	3	4	5
32	My organization is doing well with finances.	1	2	3	4	5
33	My organization is able to pay for its short-term obligations without any delay.	1	2	3	4	5
34	My organization has enough operating income to cover all operating expenses	1	2	3	4	5

**Thank you so much for your valued time and responses.**

## STRUCTURED INTERVIEW

The purpose of that interview is to be informed on how the practice on financial management is done through the tools of budgeting and budgetary, internal control and accounting system. Treasurers of Fields are requested to respond briefly to the following questions.

1. How budget constitute a source of control in your organization?
2. What do you do to prevent fraud and misusing the asset of your organization?
3. Do you have enough management personnel in order to separate different duties so that no workers can take more than one function?
4. How is the financial condition in term of working capital, cash and self-support ratio at the end of the year of your organization 2017?
5. What are the reasons that cause your organization to achieve or not to achieve the required cash ratio?

## APPENDIX B

### RAW DATA

**Table D1 Budgetary practice for all Fields**

Questions	1	2	3	4	5	6	7	8	9	10	11	12	mean
Hope Field Participant													
1	5	4	5	5	5	4	2	5	2	4	5	4	4,1
2	5	3	4	5	3	4	4	4	4	4	3	3	3,8
3	5	1	5	5	1	3	3	3	3	3	2	3	3,0
4	5	4	5	5	1	4	2	5	4	3	4	5	3,9
5	5	5	5	5	4	3	4	4	4	4	4	3	4,1
6	4	4	5	5	5	2	3	5	2	2	2	2	3,4
7	5	4	5	5	5	2	3	4	4	4	4	4	4,0
8	5	5	5	5	5	4	2	3	2	2	2	3	3,5
9	5	5	5	5	5	4	5	3	2	2	2	2	3,7
10	5	5	5	5	1	3	5	2	4	4	4	4	3,9
11	5	4	5	5	5	4	2	2	4	4	4	2	3,8
12	5	4	5	5	2	3	2	2	2	4	4	4	3,5
13	5	4	5	5	2	2	4	4	4	4	4	2	3,7
14	5	4	5	5	2	2	2	4	4	4	4	4	3,7
15	5	5	5	5	2	2	4	4	4	4	4	2	3,8
16	5	5	5	5	2	3	3	4	4	4	4	4	4
17	5	4	5	5	1	2	2	2	3	3	2	4	3,1
18	5	4	5	5	1	4	3	2	4	3	2	2	3,3
Mean	4,9	4,1	4,9	5	2,9	3,1	3,1	3,4	3,3	3,4	3,3	3,1	3,7
STDEV	0,2	0,9	0,2	0	1,7	0,9	1,1	1,1	0,9	0,8	1,0	0,9	0,4
Marantha Field													
19	5	4	4	4	2	1	3	1	4	4	4	4	3,3
20	5	4	5	5	2	2	1	1	2	4	4	4	3,2
21	5	3	4	5	2	2	1	3	4	4	4	4	3,4
22	5	4	4	4	2	1	2	1	4	4	4	4	3,2
23	5	4	5	5	1	3	3	2	3	3	3	3	3,3



24	5	4	5	5	4	2	1	3	5	5	5	3	3,9
25	5	4	5	5	2	4	3	2	2	4	4	4	3,6
26	5	4	4	4	4	1	2	1	4	4	4	4	3,4
27	5	4	4	4	4	2	2	1	5	5	5	5	3,8
28	5	4	5	5	3	2	1	2	5	1	4	4	3,4
29	5	4	4	5	5	1	3	2	4	4	4	4	3,7
30	5	4	4	5	5	3	1	3	5	5	2	3	3,7
31	5	4	4	4	1	1	3	1	4	4	4	3	3,1
32	5	4	5	5	3	1	2	1	4	4	1	4	3,2
33	5	4	5	5	4	2	3	2	5	4	4	3	3,8
34	5	5	5	5	3	1	1	1	3	1	3	4	3,0
35	5	2	4	5	5	3	5	3	4	5	3	4	4
36	5	4	5	5	4	2	2	5	5	1	1	5	3,6
37	5	4	5	5	5	2	1	5	1	1	4	4	3,5
38	5	4	5	5	4	2	3	3	1	4	4	3	3,5
39	5	4	5	5	2	3	2	1	4	4	1	5	3,4
40	5	4	5	5	2	2	3	1	1	4	5	4	3,4
41	5	3	5	5	2	2	1	2	4	4	5	4	3,5
Mean	5	4,1	4,6	4,8	3,1	2	2,1	2,0	3,6	3,6	3,6	3,9	<b>3,5</b>
STDEV	0	1	0,5	0,4	1,3	0,8	1,1	1,2	1,3	1,3	1,2	0,6	<b>0,4</b>
SWBF													
42	5	3	5	5	2	3	2	4	4	4	5	4	3,8
43	5	5	5	5	2	5	4	5	5	5	5	4	4,
44	5	4	5	5	4	4	5	5	5	5	5	2	4,5
45	5	2	4	5	5	4	4	5	4	4	4	4	4,1
46	5	2	5	5	5	5	5	5	5	5	5	2	4,5
47	5	4	4	5	5	5	5	4	5	4	4	3	4,4
48	5	2	5	5	1	2	5	5	4	4	5	2	3,7
49	5	4	5	5	2	5	4	4	4	5	5	4	4,3
50	5	4	5	5	1	3	5	5	5	5	3	3	4,08
51	5	3	5	5	4	4	5	5	4	4	4	4	4,3
52	5	3	5	5	4	4	5	5	4	2	4	4	4,1
53	5	2	5	5	2	5	4	4	4	4	5	4	4,0
54	5	4	5	5	2	4	4	2	4	4	4	4	3,1
55	5	3	5	4	2	4	4	4	4	4	4	4	3,9
56	5	4	5	5	2	3	4	4	4	4	4	4	4
57	5	4	4	5	2	4	2	4	4	4	4	4	3,8
58	5	4	4	4	2	4	4	4	4	4	4	3	3,8
59	5	4	5	4	2	4	4	4	4	4	4	4	4
60	5	4	5	5	2	3	3	4	4	3	4	3	3,75
61	5	4	5	4	2	4	4	3	3	4	4	4	3,8
62	5	5	5	5	2	5	3	5	4	4	4	5	4,3
Mean	5	3,5	4,8	4,8	2,6	4	4,0	4,2	4,2	4,1	4,3	3,5	<b>4,1</b>

STDEV	0	0,9	0,4	0,4	1,3	0,8	0,9	0,8	0,5	0,7	0,6	0,8	<b>0,3</b>
Light Field													
63	5	2	4	4	2	2	2	4	2	2	4	2	2,9
64	5	1	5	4	1	3	3	2	2	2	4	2	2,8
65	5	2	4	4	1	2	2	2	3	3	4	2	2,8
66	5	2	4	4	2	2	2	2	3	3	4	2	2,9
67	5	1	4	4	1	2	3	2	2	2	4	2	2,6
68	4	2	4	4	1	2	2	2	3	3	4	2	2,7
69	5	2	5	5	2	2	4	2	3	3	4	2	3,2
70	4	4	4	4	1	3	2	2	2	4	4	2	3
71	4	3	5	4	1	2	2	2	3	3	2	2	2,7
72	5	1	5	5	1	2	3	2	4	4	4	2	3,1
73	4	1	4	4	1	4	2	2	4	4	4	2	3
74	5	2	4	4	1	4	3	2	4	4	4	3	3,3
75	4	3	3	3	1	3	4	2	3	4	2	1	2,7
76	4	4	5	5	2	3	4	2	4	2	2	1	3,1
77	5	2	3	5	1	4	3	3	4	5	4	4	3,5
78	5	2	5	5	5	3	3	2	5	5	4	5	4,0
79	5	1	2	5	5	2	2	3	4	4	5	4	3,5
80	5	2	3	5	1	2	3	2	4	4	4	3	3,1
81	5	2	4	5	1	4	3	1	4	3	4	2	3,1
82	5	2	3	4	1	4	3	2	4	3	4	2	3,0
Mean	4,7	2,1	4	4,3	1,6	2,7	2,7	2,2	3,3	3,3	3,7	2,3	<b>3,1</b>
STDEV	0,4	0,9	0,8	0,5	1,2	0,8	0,72	0,6	0,8	0,9	0,7	0,9	0,2

**Table D2. Internal control practice of all Fields**

Qu	13	14	15	16	17	18	19	20	21	22	23	24	25	Mean
Hope Field														
1	4	4	5	4	4	4	4	4	5	5	4	4	5	4,3
2	4	4	3	4	4	4	4	5	5	4	4	4	5	4,1
3	3	4	4	2	3	4	2	3	4	5	3	2	5	3,3
4	3	4	5	5	4	4	5	5	5	5	4	2	5	4,3
5	3	4	4	4	2	1	4	4	4	4	2	4	4	3,3
6	5	5	5	5	4	2	4	4	5	4	4	4	4	4,2
7	4	4	4	4	2	5	5	4	4	5	4	4	4	4,0
8	4	4	5	5	4	4	4	5	5	5	4	4	5	4,4
9	4	4	5	5	4	4	4	4	5	5	4	4	5	4,3
10	5	4	4	5	4	1	4	5	5	4	4	4	5	4,1
11	3	4	4	4	2	1	4	4	4	5	4	2	4	3,4
12	2	2	4	4	2	1	4	4	5	4	4	2	4	3,2

13	3	4	2	2	4	1	5	5	5	5	2	2	4	3,3
14	4	4	2	2	2	1	4	4	5	5	2	2	5	3,2
15	2	4	4	4	4	1	5	4	5	5	2	4	4	3,6
16	4	4	4	4	2	1	5	5	5	5	5	2	2	3,6
17	2	2	2	4	2	1	5	5	5	5	4	2	4	3,3
18	3	2	4	5	2	2	5	4	5	5	2	2	4	3,4
Mean	3,4	3,7	3,9	4	3,0	2,3	4,3	4,3	4,8	4,7	3,4	3	4,3	3,7
STDEV	0,9	0,8	1,0	1,0	1	1,5	0,8	0,6	0,4	0,5	1,0	1,0	0,8	0,3

Maranat ha Field	3	4	3	4	4	1	4	4	4	4	4	4	4	3,6
20	3	4	3	4	4	1	2	2	4	4	3	4	4	3,2
21	3	4	4	4	4	1	4	3	4	4	4	4	4	3,6
22	3	3	4	4	4	1	4	4	4	4	3	4	4	3,5
23	4	4	4	4	4	1	4	4	4	4	4	4	4	3,7
24	4	2	5	4	4	3	3	3	3	4	3	4	3	3,4
25	3	4	3	4	4	4	4	4	4	5	4	4	4	3,9
26	4	4	4	4	4	1	3	4	4	4	4	4	4	3,6
27	4	4	4	4	4	5	5	5	5	5	4	4	4	4,3
28	2	2	2	4	4	1	4	4	4	4	4	4	4	3,3
29	3	3	4	4	4	1	4	4	4	4	4	4	4	3,6
30	4	4	4	4	4	1	4	4	4	4	4	4	4	3,7
31	4	1	3	4	4	1	4	3	4	4	4	4	4	3,3
32	3	4	4	4	4	1	2	4	4	4	4	4	4	3,5
33	5	4	4	4	5	5	5	3	5	5	5	5	5	4,6
34	4	5	5	5	5	1	5	5	5	5	4	3	4	4,3
35	3	4	5	5	3	4	3	4	5	5	4	4	5	4,1
36	5	5	5	5	5	2	5	5	4	5	5	5	5	4,6
37	5	5	4	5	5	4	2	4	5	5	4	4	5	4,3
38	3	4	4	4	4	1	2	4	4	4	4	4	4	3,5
39	4	4	4	4	4	2	4	4	4	5	5	4	4	4
40	2	4	4	5	4	2	5	4	5	5	5	4	4	4,0
41	2	4	2	5	4	2	5	4	4	4	5	4	4	3,7
Mean	3,5	3,7	3,8	4,3	4,1	2	3,7	3,9	4,2	4,4	4,1	4,0	4,1	<b>3,8</b>
STDEV	0,9	1	0,8	0,4	0,5	1,4	1,0	0,7	0,5	0,5	0,6	0,4	0,5	<b>0,3</b>

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Peace Field															
42	2	4	4	4	4	1	4	2	5	5	4	4	4	3,6	
43	4	2	4	2	5	1	4	5	5	5	5	5	4	3,9	
44	3	4	5	4	4	4	5	3	5	5	4	5	5	4,3	
45	3	4	4	4	4	4	4	4	4	5	4	5	5	4,1	
46	3	4	5	5	4	2	5	5	5	5	4	5	5	4,3	
47	4	4	4	4	4	3	5	4	5	5	4	5	5	4,3	
48	1	4	2	4	4	1	4	2	5	5	4	4	4	3,3	
49	2	4	4	5	4	1	4	2	5	5	4	5	4	3,7	
50	1	3	3	4	4	1	3	2	2	5	4	3	5	3,0	
51	4	4	5	5	4	3	4	4	5	5	5	4	5	4,3	
52	1	3	3	4	4	1	3	2	5	5	4	3	5	3,3	
53	2	4	4	4	4	2	4	4	5	5	4	4	4	3,8	
54	3	4	4	4	4	2	4	4	5	4	4	4	4	3,8	
55	4	4	4	4	4	2	4	4	4	4	2	4	4	3,6	
56	3	4	3	4	4	2	4	2	4	5	4	4	4	3,6	
57	4	4	4	4	4	2	4	4	4	4	4	4	4	3,8	
58	2	4	4	4	3	2	4	4	5	5	4	4	4	3,7	
59	4	4	4	4	4	4	4	2	4	4	5	4	4	3,9	
60	2	4	2	2	4	2	4	3	4	4	3	5	4	3,3	
61	2	4	4	4	4	2	4	4	4	4	4	4	4	3,6	
62	4	2	4	2	4	2	4	4	4	4	4	4	2	3,3	
Mean	2,8	3,7	3,8	3,8	4	2,1	4,0	3,3	4,5	4,6	4	4,2	4,2	<b>3,8</b>	
STDEV	1,1	0,6	0,8	0,8	0,3	1	0,5	1,0	0,7	0,5	0,6	0,6	0,7	<b>0,2</b>	

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Light Field															
63	2	4	2	3	2	2	4	2	4	4	2	3	4	2,9	
64	2	5	3	2	2	1	4	2	4	4	2	2	4	2,8	
65	1	4	2	4	2	2	4	2	4	4	2	2	4	2,8	
66	2	3	2	2	2	1	4	1	2	4	2	2	3	2,3	
67	1	5	2	4	2	2	4	2	2	4	2	2	3	2,6	
68	2	5	2	4	2	1	4	1	2	4	2	2	3	2,6	
69	2	4	3	4	2	1	4	1	3	4	2	2	4	2,7	
70	2	5	2	4	2	1	4	2	1	4	2	2	4	2,6	
71	2	2	2	4	2	1	4	2	2	4	2	2	4	2,5	
72	1	3	4	4	2	1	4	2	4	4	2	2	2	2,6	
73	2	5	2	4	2	1	4	3	2	4	2	2	2	2,6	
74	3	5	4	4	2	1	4	3	2	5	2	2	2	3	
75	1	3	3	3	2	2	3	2	3	5	3	3	4	2,8	
76	2	4	3	4	2	2	4	3	3	5	2	2	4	3,0	
77	4	4	4	5	5	2	5	2	2	4	2	2	2	3,3	
78	4	5	5	5	4	4	5	2	4	5	4	5	5	4,3	
79	3	4	4	4	4	2	4	4	3	4	4	4	5	3,7	
80	4	4	4	4	4	4	5	4	3	4	3	3	4	3,8	
81	3	4	2	4	2	2	4	2	4	5	2	2	4	3,0	
82	5	4	4	2	4	2	4	4	3	5	3	2	2	3,3	
Mean	2,4	4,1	2,95	3,7	2,55	1,75	4,1	2,3	2,85	4,3	2,35	2,4	3,45	3,0	
STDEV	1,1	0,9	1	0,9	1	0,9	0,4	0,9	0,9	0,5	0,7	0,8	1	0,2	

### D3 Financial Accounting System of Fields

	26	27	28	29	30	31	32	33	34	
Hope Field 1	4	5	4	5	5	4	4	2	5	4,2
2	5	5	5	5	5	4	3	1	4	4,
3	5	5	2	5	4	2	3	2	4	3,5
4	4	5	5	5	5	3	4	2	5	4,2
5	5	5	2	4	4	4	3	2	4	3,6

6	5	4	4	5	5	1	2	2	5	3,6
7	4	5	4	5	5	2	3	2	4	3,7
8	4	5	4	5	4	4	2	3	4	3,8
9	4	5	5	5	4	2	2	3	4	3,7
10	5	5	5	4	4	2	2	4	4	3,8
11	5	4	4	5	5	2	3	4	5	4,1
12	5	5	4	4	5	2	3	2	5	3,8
13	5	5	4	4	5	2	4	4	5	4,2
14	4	5	3	4	5	1	3	1	5	3,4
15	5	5	4	4	4	4	4	2	5	4,1
16	4	5	3	4	4	2	3	4	5	3,7
17	4	4	2	5	5	2	3	2	5	3,5
18	4	5	4	5	5	2	3	2	5	3,8
Mean	4,5	4,8	3,7	4,6	4,6	2,5	3	2,4	4,6	3,8
STDEV	0,5	,38	1,0	0,5	0,5	1,0	0,6	0,9	0,5	0,2

Maranat ha Field 19	2	4	2	4	4	3	4	4	4	3,4
20	5	5	2	4	5	3	4	5	5	4
21	5	5	3	3	4	4	4	4	4	4
22	5	5	3	4	4	4	4	4	4	4,1
23	5	5	4	4	4	4	4	4	4	4,2
24	5	5	5	4	4	4	4	3	3	4,1
25	5	5	3	4	4	3	5	4	4	4,1
26	5	5	4	4	5	3	4	4	4	4,2
27	5	5	4	4	4	5	4	4	4	4,3
28	5	5	4	4	5	4	2	2	2	3,6
29	5	4	4	4	4	4	4	4	4	4,1
30	5	4	4	4	4	3	2	2	4	3,5
31	4	4	4	4	5	4	4	5	4	4,2
32	4	4	4	4	4	4	4	4	4	4
33	5	5	3	5	5	3	4	4	4	4,2
34	5	4	5	5	4	4	4	3	3	4,1

35	4	4	5	5	4	4	4	5	5	4,4
36	5	5	5	5	5	5	5	5	5	5
37	4	5	4	5	4	4	5	4	4	4,3
38	4	4	4	4	5	2	4	4	4	3,8
39	5	5	4	4	4	4	4	5	5	4,4
40	5	5	5	4	4	4	4	5	5	4,5
41	5	4	4	4	4	4	4	5	5	4,3
Mean	4,6	4,6	3,8	4,1	4,3	3,7	3,9	4,0	4,0	<b>4,1</b>
STDEV	0,7	0,4	0,8	0,49	0,4	0,6	0,7	0,8	0,7	<b>0,15</b>

Peace Field 42	4	4	2	4	4	2	2	4	4	3,3
43	5	5	5	5	5	4	4	2	2	4,1
44	5	5	3	5	5	4	5	5	5	4,6
45	4	4	3	4	4	4	4	4	4	3,8
46	4	5	3	5	5	5	4	5	5	4,5
47	5	5	4	5	4	4	4	4	4	4,3
48	4	4	2	4	4	4	4	5	5	4
49	5	4	2	4	5	2	4	5	5	4
50	5	4	1	5	4	4	4	3	2	3,5
51	4	5	5	4	5	4	4	4	3	4,2
52	4	5	5	4	5	4	4	4	3	4,2
53	4	4	4	5	5	4	4	5	5	4,4
54	5	4	4	4	4	4	4	5	5	4,3
55	5	4	4	4	4	4	4	5	5	4,3
56	5	5	4	4	4	4	4	5	5	4,4
57	5	5	5	5	4	4	4	4	4	4,4
58	4	5	4	2	4	4	4	4	4	3,8
59	5	5	4	4	4	4	4	4	4	4,2
60	4	4	3	4	3	4	4	4	3	3,6
61	4	4	2	4	4	4	4	4	4	3,7
62	4	2	2	4	4	2	4	5	5	3,5
Mean	4,4	4,3	3,3	4,2	4,2	3,7	3,9	4,2	4,0	<b>4,0</b>
STDEV	0,5	0,7	1,2	0,7	0,5	0,7	0,4	0,7	0,9	<b>0,2</b>

Light Field 63	2	2	3	4	3	1	1	2	3	2,3
64	2	4	4	4	2	2	2	2	3	2,7
65	1	2	3	4	2	2	3	2	4	2,5
66	4	4	4	4	2	2	2	2	4	3,1
67	3	3	2	4	4	2	3	2	4	3
68	2	4	3	4	2	3	2	3	4	3
69	1	4	2	4	2	2	2	3	4	2,6
70	1	4	4	4	2	2	2	2	4	2,7
71	2	3	2	4	2	2	2	3	4	2,6
72	2	4	4	4	2	2	2	2	4	2,8
73	2	2	4	4	2	2	2	2	4	2,6
74	1	4	4	4	4	2	2	2	4	3
75	3	3	4	5	2	2	3	3	3	3,1
76	2	4	3	4	4	2	2	2	4	3
77	2	4	4	4	2	2	2	2	4	2,8
78	1	4	4	4	5	2	2	2	4	3,1
79	2	3	4	3	5	2	4	2	4	3,2
80	3	4	3	4	5	3	3	3	3	3,4
81	2	4	3	4	5	2	2	1	4	3
82	2	4	3	2	4	3	3	1	2	2,6
Mean	2	3,5	3,35	3,9	3,05	2,1	2,3	2,15	3,7	2,8
STDEV	0,7	0,7	0,7	0,5	1,2	0,4	0,6	0,5	0,5	0,2



APPENDIX C  
CORRESPONDENCE

PERMISSION TO ADMINISTER QUESTIONNAIRE

E1. Request

Thu, Feb 22, 2018 at 4:00 PM

Josephine Ganu

<ganui@aua.ac.ke)

To : ndikubwayoj oseph@Yahoo. fr

Cc: irakoze .paul@yahoo.com, biratevye@gmail.com, nyandwiji@yahoo.fr, ntigumal@gmail.com, barishingalu-.6g-ail:com, danimissiwraire@gmail.com, bidandaza@yahoo.fr, nduwiminajeanpiene8@gmail.com, TharcisseMANIRAKLZA<tmanitakiza@gmail.com), enockntunzwenimana@yahoo.fr, ntirapas@yahoo.fr, albertnkundumpe@ymail.com, simeonniyo rrgira@giiil.com, nyandwileô nardl@gmail.com, niyigabajean@yahoo.fr, CandideNdikumana <ndikumana ac @aua.ac .ke>

Dear Pastor Ndikubwayo,

Greetings from the Adventist University of Africa (AUA), Nairobi! On behalf of Madam Candide Ndikumana' a candidate for Master of Business Administration (Accounting) at AUA, am writing to request your permission for Candide to administer her questionnaire in your territory' Candide is currently undertaking a research leading to the production of a thesis on the subject: " A study on Financial Management Practices at Burundi Union's Fields". As part of the research process, she needs to conduct a survey by distributing questionnaires and seeking interviews in the Fields within Burundi.

May I, therefore, request your kind assistance in granting Candide authorization to distribute her questionnaires in the Fields. Be assured that any information provided will be treated in the strictest confidence and none of the participants (including the institutions) data will be individually identifiable in the resulting study. Upon request, we will be happy to share the outcome of the study with your team.

Your approval to administer the questionnaires will be greatly appreciated' If you agree, acknowledging your consent and permission to conduct this survey in your territory kindly send me a note.

I have also copied (cc) the Field Officers concerning the same. Should you have any questions' please don't hesitate to contact me. Thanks in advance!

Josephine Ganu, PhD

Associate Professor of Management

Programme Director, MBA

School of Postgraduate Studies

Adventist University of Africa

Private Bag Mbagathi

00503 Nairobi, KENYA

Mobile Phone: +254 736656839

Teaching is my Ministry;

Jesus is my Model;

Transformed lives are my Products;

And heaven is my Goal;

This is the essence of Christian Education'

## E2. Responses

Permission to administer questionnaire Personnes

Joseph Ndikubwâyo <ndikubwayojoseph@yahoo.fr> fév 27 à 3h36

A Josephine Ganu

Cc To; Irakoze Paul, Biratevye Leonard, Benjamin BIDANDAZA, Barishinga Lamec, Lambert Ntiguma,

et 12 autres...

Dear Josephine

Greetings from Bujumbura. I just received your request for permission for Candide Ndikumana to administer questionnaire in my territory. I would like to inform you that I fully accept or agree to conduct that important survey.

May God bless you.

Pastor NDIKUBWAYO Joseph (DMin)

Seventh - Day Adventist Church

Burundi Union Mission, President

P.O, Box 7710 Bujumbura-Burundi

Tel (office): +25722223130

Tel (mobile): +25776885792

Ps:105:1

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## CURRICULUM VITAE

### **Personal Identification**

Name: Ndikumana

First name: Candide

Place and date of birth: Munanira, October 5, 1970

Marital Status: Married

Children: CISHAKA David Darcy, CISHAKA Jean Jobert INGABIRE Judy  
Fortunee, CISHAKA Jess Junior

### **Education:**

Master of Business Administration (Accounting) Candidate  
University of Africa, Nairobi, Kenya

Bachelor of High commercial studies  
University of Ngozi, Burundi

### **Work Experience:**

South West Burundi Field Treasurer: June 2018- present

South West Burundi Field Chief Accountant: 2016-May 2018

North Burundi Field Treasurer: 2009-2015