



INDIRA GANDHI NATIONAL OPEN UNIVERSITY

School of Management Studies

The Impact of Assigning Non-finance officers for Financial Duty Positions on Managing Financial Resources: The case of John Snow, Inc. (JSI) Integrated Family Health Program (IFHP)

In Partial Fulfillment of the Requirements for a Master's Degree in Business Administration (MBA) of Indra Gandhi National Open University

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CERTIFICATE OF ORIGINALITY

This is to certify that the project titled” The Impact of Assigning Non-finance officers for Financial Duty Positions on Managing Financial Resources: The case of John Snow, Inc.(JSI) Integrated Family Health Program (IFHP)is an original work of the student and is being submitted in partial fulfillment for the award of the Master’s Degree in Business Administration of Indira Gandhi National Open University. This report has not been submitted earlier either to this University or to any other University /Institution for the fulfillment of the requirement a course of study.

Signature of Supervisor

place-----

Date-----

Signature of student

place-----

Date-----

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Acronyms

JSI	John Snow, Inc.
FPLM	Family Planning and Logistics Management
IFHP	Integrated Family Health Program
PI	Pathfinder International
AICPA	American Institute of Certified Public Accountants
SNNPR	Southern Nations, Nationalities, and Peoples' Region
USAID	United States Agency for International Development
E2A	Evidence to Acton
BSC	Bachelors of Science
MPH	Masters of Public Health
NGO	Non-government Organization

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Chapter one: Introduction

1.1 Background of the Study

JSI is a public health organization dedicated to improve the health of people and communities in more than 70 countries.

36 years of global experience supports and informs JSI's work in Ethiopia. Since 1994, JSI has worked in partnership with the Government of Ethiopia and local civil society organizations to support the country's health and development priorities.

JSI is working in all regions across Ethiopia, in urban as well as rural areas—though most projects reach the largest population groups by focusing on the four most populous regions. JSI's focus on maternal and child health, which deals with improving people's lives as well as reducing childhood mortality. It has thus, implemented various projects that are designed to engage communities, support service delivery, and strengthen health systems in Ethiopia.

JSI has been active in Ethiopia since 1994, when they began efforts to improve and increase access to family planning services through the USAID-funded Family Planning and Logistics Management (FPLM) Project. Since then, JSI has been fully supporting the Federal Ministry of Health and Regional Health Bureaus in their quest to improve the health of all people across Ethiopia. The Integrated Family Health program (IFHP) is a USAID funded program that is jointly implemented by Pathfinder International (PI) Ethiopia and John Snow, Inc. (JSI). IFHP supports USAID/Ethiopia's strategic objective of "investing in people" with the overall goal of creating and consolidating functional and effective network of well integrated family health services to communities within the framework of the primary health care unit and more specifically the health extension program.

IFHP is being implemented in Amhara, Oromia, SNNPR and Tigray and selected zones of Beshagul Gumuz and Somali regional states. As indicated above, JSI, along with other partners is implementing the Integrated Family Health Program (IFHP+/E2A+) and it is a US Government funded health program through Evidence to Acton (E2A), bridging fund support under the cooperative agreement number of AID-OAA-A-11-00024. The program has been

implemented jointly by Pathfinder International and John Snow, Inc. (JSI) in collaboration with the host Government and other Non-government partners with an overall life-of-program goal of Improving Family Health. The program area related elements are: Family Planning, Reproductive Health, Maternal, Newborn and Child Health including malaria. The program Sub Objective is “Increased use of high impact family planning maternal, newborn and child health practices, products and services”.

The Four result areas are:

1. Improved health practices at the household and community level information
2. Improved availability and quality of health services, products and
3. Key elements of health system strengthened to support health services
4. Systematic program learning to inform policy and program investment
5. The program now operates in 301 Woredas of Amhara, Oromia, SNNPR and Tigray, and to some extent in Benishangul Gumuz and Somali regions. The program establishes links with HIV/AIDS and Malaria programs.

Therefore, the principal goal of the program is “Improved Family Health, with the overall objective of Increasing use and access to high impact family planning, maternal, newborn and child health practices, products and services.

In short the specific program areas are:

- (1) Family Planning and Reproductive Health
- (2) Maternal, Newborn and Child Health
- (3) HIV/AIDS and
- (4) Malaria

JSI has financial manual to guide financial transactions and management control systems. The financial system of public health organizations and International NGOs should have strong management control system and also respond to the requirements of both donors and host governments. Financial systems encompass the collection of accounting processes and procedures that allow a business to keep accurate financial records, monitor accounts, prevent fraud and mistakes, and catch any discrepancies. A financial system allows a

company to maintain accountability for expenditures and revenues, and to control their finances to minimize waste and losses.

Since I am working for one of non-government public health institutions in Ethiopia, there are challenges in applying the correct accounting procedure in effecting payments and recording of the transactions. This is mainly due to assigning non-finance officer for financial matters. Relatively the control system with non-government public health institutions, particularly, International NGOs is better, nonetheless there are areas which need improvements. Particularly, non-government organizations try to minimize their admin costs and they are inclined to use program staff for finance and accounting activities in their regional field offices. This is mainly to meet the government requirement of 70/30, which forces them to limit their administration costs to 30% of all their expenditure or budget. According to the government's Civil Societies and Association 70% their total budget should go to program related expenses. But, categorizing of expenses is still not so clear and it remains controversial.

And the funding level of this program is more than US\$100,000,000 for a period of five years to be implemented along with Pathfinder International and depending upon the availability of funding, it could continue for more years.

1.2 Statement of the Problem

In these section of the study, it addresses what the existing theories are, if any, and also explain about some selected finance system and what it looks like globally in general and regionally, similar other countries experiences in particular. Moreover, the study deals the national or country level experiences, touching base also the local level experiences. Organizations are expected to maintain strong financial systems to run their finance transaction. Unless the financial transaction is made as per the financial manual of the organization and as per generally accepted accounting principle (GAAP), it will be difficult to maintain correct record keeping and finally not possible to produce the right financial statements. The first task in handling financial transaction is maintaining the right documentations, record keeping and pass on to Journal voucher. If there are errors in figures or documentations in the process, the whole record will not show the actual amounts. This

situation further makes the information we get from the record not reliable and relevant; and does not help someone to produce the required and correct financial statements. Globally there is a trend of to outsource finance and accounting matters to organizations that has expertise on accounts and finance. These organizations focuses primarily on transactional processes, such as accounts payable and receivable, payroll and General Ledger accounting. Because those areas are routine, “rules based” and don’t require in-depth business knowledge. They’re relatively simple to transfer to an outside provider. More importantly, outsourcing transactional processes is a means to free up internal resources to devote more time and attention to important areas of the work and business analysis. Outsourcing organization are also well qualified and their work according to rules and regulations and in most cases their work would be error free. So, globally, let alone using non-finance staff for finance work, they are heading to outsource to a firm specialized in accountancy and finance. If we look into the account and finance practice of the host country and regional governments, in most cases they have finance professionals for their finance work.

What has been most frequently observed as weakness with the finance system and its implementations in Public health institutes is, more often finance transactions are handled by non-finance professionals. For example, JSI has regional offices and in most of these field offices, there are no accountants or those who have financial knowledge to do the job. However, a lot of payments, purchases and finance reports are happening in these areas. This is not only true with JSI, but also other international agencies are doing the same. The work arrangement necessitates non-finance people to handle financial matters along with the program activities. However, the financial system of these organizations have no article or guidance to address such arrangements. Due to the nature of the work, the program staff are required to shoulder the responsibility of preparing financial documents and performing financial payments without possessing the necessary knowledge and know how on the subject. It is very difficult to assign finance officers to each and every projects and activities happening in a number of sites, since it would escalate administration costs. Because of this, there are failures to adhere to the rules and regulations of the finance procedures of the organization and the country as well in the course of payments for both services and goods. This is typically because of lack of proper knowledge of accounting procedure and the country’s finance rules and regulations. In addition to the above limitations, keeping proper

records to satisfy the interest of the donors' and host countries are sometimes challenging. Specifically most errors encountered here are lack proper recording, tax related application and calculations, unauthorized payments and missing important supporting documents for each transaction. More often than not, non-finance staff gets difficulties to satisfy the interest of donors and host countries in terms of producing reports. Donors would like to receive reports and statements in Gregorian calendar, where as host countries demand the reports to be submitted according to the local calendar. In addition, donors are interested to segregate expenses according to agreed budget code and program area. The kind of cost category that the host countries are demand for is quite different, which they mention as administration versus program in certain ratio as guided by law. These conditions would complicate the record keeping and reporting that makes it much difficult for non-finance staff in understanding the categories' needed and applying accordingly.

The financial manual of the organization, JSI, is fairly comprehensive, but it might need to check and revisit the chart of account to suit the goal and objective of its program considering the objective situation on the ground.

The basic research questions for this specific study are:

- How does the organization assign employees to handle financial and accounting duties?
- What are the profiles of employees assigned to handle accounting and financial aspects of the work?
- What are the rules and procedures followed in effecting payments for goods and services?
- How does the field office staff plan procurement and execute purchases and what procedures are followed to implement?
- What mechanisms are applied for internal control system in the organization?
- How does the field office staff prepare budget for their activity and what procedure they follow in requesting budget and how frequent they request the head office for it?

1.3 Objective of the Study

General Objective

The general objective of this study is to assess the financial practice and procedure of JSI, the impact of assigning non-financial officers to handle accounting and financial matters and to examine areas that need improvements in this regard.

Specific Objectives

- To identify challenges of non-financial officers in handling financial activities.
- Asses the core reasons of assigning non-finance professionals for finance positions.
- Identify the professions or qualification of officers working in finance posts.
- Asses the procedures followed in effecting payments, doing procurements and identify the problem related to it.
- This study provides possible recommendations to the problem related to non-finance employees working in financial area and look into some remedial action. The study also observes the financial system of the organization and the employment policy.

1.4 Significance of the study.

Beneficiaries of the research output would be categorized as follows;

1. The organization, which is JSI – the accounting finance unit on which the problem is identified. The study is expected to give recommendations on the qualification required to run the accounting finance work. It will also provide suggestions as to how the organization improves the knowledge of the staff in the finance area.
2. The staff working for the accounting finance unit would be benefited by understanding the main problem of assigning non-finance staff for accounting and finance works
3. Other similar organizations that are facing similar challenges, researchers and policy makers or managers would learn from these findings.

1.5 Scope of the Study

The main focus of this paper is to assess the Impact of Assigning Non-finance officers for accounting and financial duties or Positions in managing Financial Resources of a given organization. The time period covered in this analysis is 2015-2016.

1.6 The structure of the paper

This research paper contains five chapters.; chapter one deals with an introduction which includes the background of the study, statement of the problem, objective of the study, significance of the study, research methodology and limitation of the study.

Chapter two deals with the literature review about the subject matter.

Chapter three is the main body of the study which compacts with data presentation, analysis and interprets the assembled data.

Chapter four deals with summary of findings, interpret the findings.

Chapter five which is the last part of the study structure presents conclusions and recommendations.

Chapter two: Literature Review

2.1 Why an accountancy profession is required?

2.1.1 The meaning of Accounting

Accounting is defined by Webster's ninth new collegiate dictionary, as "the system of recording and summarizing business and financial transactions and analyzing, verifying and reporting the results. Accounting in view of this study can be defined ordinarily as the means by which managers are informed of both the process and financial status of a business concern. (Mbanefo, 1997) defines accounting as "a measurement and communication system to provide economic and social information about an identifiable entity to permit users to make informed judgments and decisions leading to an optimum allocation of resources and the accomplishment of the organizations objectives. According to (Nnenna ,2012),accounting is the process of identifying, measuring and communicating economic information to permit informed judgments and decisions by users of the information and it is also stated accounting is a service activity, the reports of which are used in describing the activities and financial states of many different kinds of economic activities. According to Gautier and accounting is moving away from its traditional procedure base, encompassing record keeping and such related work as the preparation of budget and final accounts, towards the adoption of a role, which emphasizes its social importance. Accounting is the art of recording, classifying and summarizing in a significant manner and in terms of money, transaction and events, which are in part at least of a financial character, and interpreting the result thereof (Nnenna, 2012).

2.1.2 The duties & responsibilities of an accountant

An accountant is one who is responsible for reviewing, evaluating, analyzing, and verifying particular data or information. Accountants are most often employed in the Accounting or Financial fields, though other fields might also utilize Auditors. An Accountant might be responsible for examining a wide variety of data, facts and figures, and other information, toward providing verification and integrity of the business at hand. Some examples of accountant's duties include, but not limited to verification of Payroll records, insurance claims and resolutions, Bank transactions, bookkeeping practices and figures, and other

similar responsibilities. Accountant must be honest, trustworthy, organized, not afraid of details, statistics or numbers, and must be keenly involved in the business at hand, to ensure accuracy and integrity in record keeping and in auditing process.

Hence, a person who is assigned in financial duties has to be qualified in the field very well so that he/she can easily understand the principles and discipline of the field. The person who is in charge of finance position should necessarily have the skills and attributes the field requires.

2.1.3 **The role of professional accountants**

The importance of the role of professional accountants in business and any other organization is to ensure proper record keeping maintaining source documents and producing quality financial reports. The role of an accountant cannot be overlooked in any organization, since finance is the core element of any organization. Professional accountants in business often find themselves being at the frontline of safeguarding the integrity of financial reporting. Management is responsible for the financial information produced by the company. As such, professional accountants in businesses therefore have the task of defending the quality of financial reporting right at the source where the numbers and figures are produced. Like their counterparts in taxation or auditing, professional accountants in business play important roles that contribute to the overall stability and progress of society. Accounting and Finance is connected to most, if not all, of the key business processes within an organization. It has the responsibility of steering the stewardship and accountability systems which ensure that organizations conduct their businesses in an appropriate and ethical manner. It is critical that these foundations are firmly laid. So often they are the litmus test by which public confidence in the institution is either won or lost (Amewode,2009). Effective and sound business decisions, however, depend to a large extent, on the accuracy, validity and reliability of financial data available to the decision maker at the time such decisions are made (Asante, 1992).

Accountants provide the information required to make decision as to where to allocate financial resources and once such decisions are made they provide the data necessary to efficiently and effectively control such resources(Amewode, 2009).

2.1.4 Accountant Competency Profile

Accounting completeness profile deals with professional accounting work with responsibility for accounting and/or budgeting accounting functions, and which applies knowledge of the theory and practice of recording, classifying, examining and analyzing data and records of financial transactions. Work requires knowledge of the theories, principles, practices and terminology of accountancy. Unless one has the necessary knowledge and skill, it would not be possible to follow correct principle and procedure.

2.1.4.1 What do we mean by Competency, related to finance?

Professional knowledge: It is demonstrating a proficient level of professional skill and/or knowledge in accounting and keep current with developments and trends. Knowledge and ability to use applicable information technology and systems to meet what the work needs.

Financial Monitoring & Analysis : It is one area of competency, which refers to monitoring and collecting data to assess accuracy and integrity; analyze data; ensure compliance with applicable standards, rules, regulations and systems of internal control; interpret and evaluate results, prepare documentation; create financial reports and/or presentations.

Decision Making: It is using effective approaches for choosing a course of action or developing appropriate solutions and/or reaching conclusions; take action consistent with available facts, constraints, and anticipated consequences.

Supervision: This refers to recruiting, selecting, and counseling. It is also maintaining discipline, establishing performance standards and evaluate performance of employees to retain a diverse workforce; administer and ensure compliance with human resources policies and procedures. Monitor and assess work; provide feedback; may provide technical supervision; develop knowledge, skills, and abilities of employees; plan for and support employees in career development opportunities.

Communication and Interpersonal Skills: Communicate information to individuals or groups; deliver presentations suited to the characteristics and needs of the audience. Clearly and concisely convey information orally or in writing to individuals or groups to ensure that they understand the information and the message. Listen and respond appropriately to others. Ability to establish effective working relationships that foster organizational success.

Accounting Skills

Accounting skill is a wide range, which includes the following:

- Experience with budgets, forecasting, and payroll, accounts payable and receivable
- Detail-oriented, accurate, general accounting data processing skills
- Skilled at developing and maintaining professional relationships with clients some of the tasks of an accountant include the following;
- Prepare, examine, or analyze accounting records, financial statements, or other financial reports to assess accuracy, completeness, and conformance to reporting and procedural standards.
- Report to management regarding the finances of establishment.
- Establish tables of accounts and assign entries to proper accounts.
- Develop, implement, modify, and document recordkeeping and accounting systems, making use of current computer technology.
- Compute taxes owed and prepare tax returns, ensuring compliance with payment, reporting or other tax requirements.
- Maintain or examine the records of government agencies.
- Advise clients in areas such as compensation, employee health care benefits, the design of accounting or data processing systems, or long-range tax or estate plans.
- Develop, maintain, and analyze budgets, preparing periodic reports that compare budgeted costs to actual costs.
- Provide internal and external auditing services for businesses or individuals.
- Analyze business operations, trends, costs, revenues, financial commitments, and obligations, to project future revenues and expenses or to provide advice.
- Generate budgets and forecasts on a quarterly basis and present to the management team
- Liaison bankers, insurers, and solicitors regarding financial transactions
- Conducted a variety of client service engagements to gain a better understanding of KPMG and a career with an audit, tax and advisory firm
- Processed accounts receivable and payable by examining income checks and comparing invoices
- Assisted with general accounting duties such as receiving documents, verifying accuracy, and recording data according to company procedure

2.1.4.2 Transferrable skills,

This is some of behaviors which are desirable for accountants to possess.

Attention to Detail — Job requires being careful about detail and thorough in completing work tasks.

Integrity— Job requires being honest and ethical.

Dependability—Job requires being reliable, responsible, and dependable, and fulfilling obligations.

Analytical Thinking—Job requires analyzing information and using logic to address work-related issues and problems.

Achievement/Effort— Job requires establishing and maintaining personally challenging achievement goals and exerting effort toward mastering tasks.

Cooperation— Job requires being pleasant with others on the job and displaying a good-natured, cooperative attitude.

Initiative— Job requires a willingness to take on responsibilities and challenges.

Independence— Job requires developing one's own ways of doing things, guiding oneself with little or no supervision, and depending on oneself to get things done.

Persistence— Job requires persistence in the face of obstacles.

Stress Tolerance— Job requires accepting criticism and dealing calmly and effectively with high stress situations.

2.2 Over view of Accounting and Financial Management

Financial management is more than keeping accounting records. It is an essential part of organizational management and cannot be seen as a separate task to be left to finance staff. Financial management involves planning, organizing, controlling and monitoring financial resources in order to achieve organizational objectives and involves a range of financial tactics. Financial management also encompasses everything that involves finances, assets, and resources. As indicated above, it takes part in financial planning, control, and decision-making. Fundamentally, financial management is a relatively, and more about business applications, accounting data, and reports. In fact management of funds is a critical aspect of financial management.

Whether your organization is large or small, effective financial management is an ongoing process featuring a cycle of good management habits. Sound procedures and internal control systems help to ensure accurate accounting practices and high-quality reporting. Evaluation of the information in the reports then informs planning and facilitates good management decisions. Regular evaluation of the process leads to consistent improvement in financial management. Financial management considers all factors, such as risks, of which it tries to manage, and how many resources are invested. Basically, financial management makes plans to ensure a productive cash flow, governs and maintains the financial assets of a certain body. Apparently, the main concern is not the techniques of quantifying finances, but the assessment thereof. In general, financial management is often referred to as the science of money management

On the other hand, Financial accounting gathers and summarizes financial data to prepare financial reports such as balance sheet and income statement for the organization's management, investors, lenders, suppliers, tax authorities, and other stakeholders. According to the American Institute of Certified Public Accountants (AICPA), accounting is defined as: "The art of recording, classifying, and summarizing in a significant manner, and in terms of money, transactions, and events, which are, in part at least, of financial character, and interpreting the results thereof."

The practice is, in fact, ancient. Archaic accounting records have been found, and they are more than 7,000 years old. Not surprisingly, the methods of accounting used then were primitive, and they were mainly done to record the development of crops, or the increase of herds. Nowadays, accounting has evolved, and become an important part of businesses. (<http://www.differencebetween.net/business/difference-between-accounting-and-financial-management/>)

All organizations need money. Alongside staff, money is the one thing that takes up most management time.

The following brief introduction outlines how to take proper care of your funds. Good financial management involves the following four building blocks:

- Keeping records
- Internal control
- Budgeting
- Financial reporting (Jacobs, 2009)

2.2.1 Record Keeping

2.2.1.1 Accounting Record Keeping Concept

According to (Ademola et al ,2012), record keeping is essential to business management. Record keeping involves identification, classification, storage and protection, receipt and transmission, retention and disposal of records for preparation of financial statements. He also included that in record keeping, policies, systems, procedures, operations and personnel are required to administer the records. Record keeping plays a key role in management of knowledge necessary for good business performance. Modern organizations are concerned with the capture, use and storage of knowledge.

As Jacobs, A states, the foundations of all accounting are basic records that describe your earnings and spending. This means the contracts and letters for money you receive and the receipts and the invoices for things that you buy. These basic records prove that each and every transaction has taken place. They are the cornerstones of being accountable. You must make sure that all these records are carefully filed and kept safe. You must also make sure that you write down the details of each transaction. Write them down in a 'cashbook' - which is a list of how much you spent, on what and when. If you are keeping your basic records in good order and writing down the details of each transaction in a cashbook then you cannot go far wrong.

2.2.1.2 Objectives of record keeping include the following:

- To provide an accurate, thorough picture of operating results.
- To permit a quick comparison of current data with prior years' operating results and budgetary goals.
- To offer financial statement for use by management& Donors.

- To facilitate the prompt filing of reports and tax returns to regulatory and tax collecting government agencies.
- To reveal employees fraud, theft, waste and record keeping errors.
- To allow for fast, accurate, and reliable access to records, ensuring the timely destructions of redundant information and the identification and protection of vital and historically important records (Abdul- Rahamon and Akintola ,2014).

2.2.2 Internal Control

The effective implementation and monitoring of a sound internal control system helps ensure that organizations meet their objectives, such as providing services to the community professionally, while utilizing resources efficiently and minimizing the risk of fraud, mismanagement or errors.

Good internal controls shall:

- help align the performance of the organization with the overall objectives – through continuous monitoring of the performance and activities carried out by the organizations
- encourage good management – allowing management to receive timely and relevant information on performance against targets, as well as key figures that can indicate variances from targets
- ensure proper financial reporting – maintaining accurate and complete reports required by legislation and management, and minimizing time lost correcting errors and ensuring resources are correctly and efficiently allocated
- Safeguard assets – ensuring the organization’s physical, intellectual property and monetary assets are protected from fraud, theft and errors
- deter and detect fraud and error – ensuring the systems quickly identify errors and fraud if and when they occur
- Reduce exposure to risks – minimizing the chance of unexpected events.
- According to Alex Jacobs MANGO, of UK, it is important to make sure that your organization has proper controls in place so that money cannot be misused. Controls

always need to be adapted to different organizations. However, some controls that are often used include:

- Keeping cash in a safe place (ideally in a bank account).
- Making sure that all expenditure is properly authorized.
- Following the budget.
- Monitoring how much money has been spent on what every month.
- Employing qualified finance staff.
- Having an audit every year.
- Carrying out a 'bank reconciliation' every month - which means checking that the amount of cash you have in the bank is the same as the amount that your cashbook tells you that you ought to have.

Particularly, the last one from listed above is very important in that It proves the amounts recorded in the cashbook and the reports based on it are accurate.

Internal controls are the policies and procedures adopted by management to ensure that the organization conducts business in an orderly and efficient manner. They provide the framework through which management uses the resources at its disposal to achieve the organization's goals.

These policies and procedures are designed to ensure that:

- Assets are safeguarded.
- Fraud and error are prevented and detected.
- The organization's operations are efficient and cost-effective.
- Accounting records are complete and accurate.
- Management information is timely and reliable.
- Clients are protected from dishonest or unethical staff.
- The organization's resources are used to benefit the community it serves.

Internal controls are systems of policies and procedures that safeguard assets, ensure accurate and reliable financial reporting, promote compliance with laws and regulations and achieve effective and efficient operations. These systems not only relate to accounting and reporting

but also include communication processes both internally and externally, staff management and error handling. Sound internal controls include procedures for:

- handling funds received and expended by the organization
- preparing appropriate and timely financial reporting to board members and senior management
- conducting the annual audit of the organization's financial statements
- evaluating the performance of the organization
- evaluating staff and programs
- maintaining inventory records of property
- implementing personnel and conflicts of interest policies.

Internal accounting control comprises a series of procedures designed to promote and protect sound management practices, both general and financial.

By following internal accounting control procedures, an organization will significantly increase the likelihood that:

- financial information is reliable, so that managers and the Board can depend on accurate information to make decisions,
- assets and records of the organization are not stolen, misused or accidentally destroyed,
- the organization's policies are followed,
- Government regulations are complied with. (Keulder ,2011).

2.2.3 Budgeting

For good financial management, you need to prepare accurate budgets, in order to know how much money you will need to carry out your work. A budget is only useful if it is worked out by carefully forecasting how much you expect to spend on your activities. The first step in preparing a good budget is to identify exactly what you hope to do and how you will do it. List your activities, then plan how much they will cost and how much income they will generate (Jacobs, 2009)

Budget is a detailed plan for the future that describes in formal, measurable terms how resources will be acquired and used during a specific period of time. A budget is an important tool for directing how resources are spent to achieve an organization's goals because it expresses the plans of management in financial terms by matching activities with available resources. Because a budget is a written plan, it is a reference for setting and evaluating goals. The management of a health facility can use budgets for monitoring trends in various budgeted items in the facility over time, explaining large variations between actual expenditures and budgets during the budget period and monitoring the achievement of internally established goals. In short, a budget helps managers employ the organization's limited resources in the most efficient and effective ways.

The process of preparing a budget helps management focus on issues that are important in the context of the organization's mission.

2.2.4 Financial Reporting

The fourth building block is writing and reviewing financial reports. A financial report summarizes your income and expenditure over a certain period of time.

Financial reports are created by adding together similar transactions. For instance, this might mean adding together all the money you spent on fuel, new tyres and vehicle insurance and calling them "Transport Costs".

Financial reports summarize the information held in the cashbook. This is normally done using a system of codes, to allocate transactions to different categories. These categories might often be defined by donors (Jacobs, 2009)

2.2.4.1 Basic financial reports of a nonprofit organization:

- Statement of financial position (also called a balance sheet): This summarizes the assets, liabilities and net assets of the organization at a specified date. It's a snapshot of the organization's financial position on that date.

- Statement of activity (also called an income and expense statement): This reports the organization's financial activity over a period of time. It shows income minus expenses, which results in either a profit or a loss.
- Statement of cash flow: This summarizes the resources that become available to the organization during the reporting period and the uses made of such resources. It's especially useful in real-time because it reports income that has been received and expenses that have been paid. A statement of projected cash flow is helpful for the board and organization to be able to anticipate any shortfalls for planning purposes.
- Statement of functional expenses: Reports all expenses as related either to program services or to supporting services. Expenses under program services are shown divided among the various programs. Expenses under supporting services are generally divided between (1) management and general expenses and (2) fundraising expenses.

Reporting to a donor

Intervals of reports will be as per the agreement between the donor and the organization. Reports usually consist of a narrative and a financial report. The narrative report covers all activities completed for the reporting period, in detail. The financial report lists all expenses progressively during the period of the agreement. (Keulder, 2011).

Chapter three: Research Design and Methodology

3.1. Research design

This study was intended to assess JSI's actual accounting and financial practices and operations comparing with fundamental theories, principles and accounting and finance philosophies as parameters. At the same time, challenges of using employees for accounting and finance work with no accounting and financial qualification were thoroughly examined. The study assessed to what extent this practice has been prohibited the organization from being effective in managing financial resources. Therefore, descriptive research type was used, which has helped to use both qualitative and quantitative data analysis that enabled the researcher to get divergent views.

3.2. Study area

The actual area of problem investigation selected for this research included JSI central office in Addis Ababa, regional offices and cluster units under regional offices. At least four regional offices were included in the study where the problem persists widely and due focus has been given.

3.3. Sampling Technique & sample size

Before sample size determination, knowledge of the population (correct definition of population is imperative.) After population definition, source of population (finite or infinite) should be identified. This approach helped the researcher to determine or statistically to estimate the sample size for the research.

Since the study targeted on evaluating JSI's accounting and financial practices and approaches, the areas selected covered samples from all directions where organization operates. The exact sample units of respondents were considered from central office of JSI (five staff), and twenty employees from regional offices, on the basis of judgmental/non-probability sampling technique. Three individuals from co-working partner were included in the study. Purposive sampling technique was used to interview training coordinators and cluster office employees.

3.4. Data Collection Tools

Basically there are two sources of data namely, primary and secondary sources. In this research both primary and secondary sources of data were utilized through questionnaires, interview, and literature review. The primary data collected through in depth individuals' interviews with program and finance staffs JSI. As to the secondary data, it was gathered by reviewing various accounting and financial documents, financial and operational manual, purchasing manual, accounting and finance rules and regulation guidelines, books, articles, journals, magazines, and brochures were reviewed. On the other hand, to validate the investigation it demanded to use appropriate and convenient techniques of data collections. Therefore, in this study both questionnaire and interview methods of data collection were carried on. To this effect, questionnaires were distributed to regional office staff and central office accounting and finance unit staff.

In addition, to obtain sufficient and accurate information, the researcher used personal interview with management group of the JSI.

3.5. Data analysis

In general there are two types of data analysis techniques, qualitative and quantitative where by the choice of these methods greatly depends on the type of information the researcher would like to gather. Therefore, as determined in the data collection tool for this study, data were collected in both questionnaire and interview form. Accordingly, the collected data analyzed quantitatively and qualitatively. Particularly, statistical tools like: mean and standard deviation were calculated.

3.6. Methods of data analysis

The data collected were edited, coded, cleaned, and entered into computer software for analysis. Analyses were done using SPSS, a computer data analysis program where tables and other relevant percentages, means and standard deviations generated. Descriptive statistics and inferential statistics were also produced. Descriptive statistics using cross tabulations used to describe the sample. For inferential statistics, Pearson rank correlation coefficient was applied to establish the relationships.

Chapter Four: Data Result and findings of the survey

4.1 Introduction

This chapter dealt with presentations, discussions and interpretations of the data collected. The discussions particularly focus on JSI accounting and finance practices, and financial skill of non-finance officers. Out of twenty questionnaires distributed to respondents, all the twenty completed and returned, which means the response rate is 100%. From the received responses, all were found to be complete and relevant to be used for the analysis.

Thus, based on the responses obtained from the respondents, data presentation and analysis were made and the presentation and analysis were guided by the following overarching research objectives:-

- Identifying the professions of officers working in accounting and finance positions.
- Identifying challenges of engaging non-finance staff for finance tasks.
- Assessing the procedures followed in payment and procurement and identify the problem related to it.
- Examining the financial system of the organization and employment policy.
- Proposing remedial actions to the problems related to non-finance employees working in accounting and financial duty positions.

4.2 Respondents' Profile

In this part of the paper, responses of the study participants were summarized in the tables. Each of the questions has its own purpose. For example the purpose of assessing respondents' work experience and education levels is to understand their background, skill and knowledge in relation to the tasks they are assigned for and also their understanding of the accounting and finance work they are performing. All the respondents are in charge of handling finance and related transactions and other activities. The subsequent questions dealt

on the work experiences of respondents related to finance and accounting, their qualification or field of study, their responsibilities or positions in the organization and other related and opinion questions are included.

Accordingly, all the responses from the respondent were summarized in the subsequent tables below based on the different topics identified.

Table 1.Respondents’ year of services.

Service year	Number of Respondents	Percentage
Less 6 years	2	10
From 6 to 10 years	9	45
From 11 to 15 years	2	10
16 years and Above	6	30

(Source: researcher’s survey 2016)

As it is clearly shown on table 1 above, the largest number of respondents’ have more than 5 years of work experiences, 89.5%(17) and 10.5% (2) of respondents have 2-5 years of work experience. This indicated that all the respondents (100%) have at least two years’ of work experience in the organization and it is fair enough to conclude that all the respondents have adequate know how to provide the right information about the organization and the work they are related to. As the respondents are experienced within the organization, they have better opportunity to know more about the impact of their work which is their financial assignments in addition to their programmatic responsibility in the organization.

Table 2. Respondents by level of Education

Education level	Number of Respondents	Percentage
Under graduate	7	35.0
Master's degree	12	60.0
other	1	5.0
Total	20	100.0

(Source: researcher's survey 2016)

As shown in table 2 above, the highest education level attained by most of the respondents is 2nd degree (Master's Degree level), which represents, 60% (12) out of the total respondents and followed by first degree holders which accounts 35% (7). In the same frequency distribution table the remaining respondent accounts for only 5% (1). Hence, the majority of the respondents possesses first degree or above, which accounts 95% (19) of the total respondents.

Therefore, majority of the non-finance staff participated in this study are highly qualified in terms of their education level, but none of them have formal training or education related to finance and accounting. Their main scope of work in the organization is implementing programmatic activities.

Table 3. Respondents'Qualification

Field of study Qualification	Number of Respondents	Percentage
Unspecified	1	5.0
BSC Nurse	3	15.0
Driver	2	10.0
Public Health(Bsc)	7	35.0
MPH	5	25.0
MPH, RH specialized	1	5.0
Nutritionist, Bsc	1	5.0
Total	20	100.0

(Source: researcher's survey 2016)

Table 3 above shows the field of studies and levels of education of the respondents

As we can see from Table 3 above, the qualification of respondents ranges from driver to Masters Level in public health. It is also shown that 100 % of the cluster staffs are not from accountant and finance or related discipline.

Table 4.Respondents’ current position along their response.

Questions		Cluster coordinator		Driver		Field officer		Program officer	
		#	%	#	%	#	%	#	%
Intermingling of funds should be avoided in handling petty cash fund of the organization	No	2	40.0%	2	100.0%	4	50.0%	3	75.0%
	Yes	3	60.0%	0	0.0%	4	50.0%	1	25.0%
Goods receiving note included as attachments of purchase of materials	No	0	0.0%	2	100.0%	1	12.5%	1	20.0%
	Yes	5	100.0%	0	0.0%	7	87.5%	4	80.0%
Travel expenses require copy receipt of other allowable expenses	No	2	40.0%	2	100.0%	5	62.5%	4	80.0%
	Yes	3	60.0%	0	0.0%	3	37.5%	1	20.0%
I recommend the finance duties should be performed by finance personnel concerning challenges I faced in performing finance activities	No	0	0.0%	0	0.0%	3	37.5%	1	20.0%
	Yes	5	100.0%	2	100.0%	5	62.5%	4	80.0%

(Source: researcher’s survey 2016)

The cluster coordinators are in charge of representing the JSI in different sites located in the regional states. The main responsibility of the Cluster coordinators is to coordinate trainings happening in their respective areas including payments and related approvals. They are highly engaged in financial transactions made in the areas they are assigned.

When we see Table 4 above, all the cluster coordinators participated in this survey 100% (5) indicated that since they encountered challenges in discharging the financial duties, they recommend to be relived from this responsibility and transfer to a personnel trained in finance and accounting. In relation to the question of intermingling of funds, 40% of the cluster coordinators responded that there is no problem in mixed different funds with petty cash. Intermingling of funds is the main source of miss handling of funds. It will be difficult to even keep the record properly and in turn make it difficult in financial reporting. The responses of field and program officers are also similar to that of the cluster coordinator; 50% of the respondent from field officers and 75% of the program officers are

in opinion that there is no problem in intermingling other funds with petty cash. The drivers working in the sites have also responsibility in handling cash as additional task and all of the respondent (100%) said that there is no problem of mixing funds. The other response from the cluster coordinators was related to good receiving note (GRN), which is a crucial document in recording the purchased items. All of the respondents (100%) indicated that GRN is not important to be attached with purchase invoices and this indicates that the cluster coordinators are not aware of the relevance of GRN in verifying the purchase and location of the items. In the same line, some of the respondents from program and field officers, 12.5% and 25% respectively said that there is no need to issue GRN to purchased items.

In relation to allowable travel expenses, like transport expense it is only the original receipt to be accepted. However, 40% of the cluster coordinators, 100% Of the drivers, 62% of the field officers and 80% of the program officers responded that there is no problem in accepting copy of receipts for liquidation. In actual sense, copy receipts or any other finance related documents are not acceptable as a source document for recognizing expenses.

The other question to the non-finance staff was to get their recommendation in assigning only trained finance officers for finance and accounting tasks and 100% of the cluster coordinators and drivers recommended finance task to be done only by finance officers. Most of the program officers (62.5%)and field officers (80%) also recommended finance task to be performed by finance professionals.

Table 5. Respondents' by education background with their response

Questions		Under graduate degree		Master's degree		others	
		#	%	#	%	#	%
Intermingling of funds should be avoided to maintained in handling petty cash fund of the organization	No	3	42.9%	7	63.6%	1	100.0%
	Yes	4	57.1%	4	36.4%	0	0.0%
Goods receiving note included as attachments of purchase of materials	No	1	14.3%	2	16.7%	1	100.0%
	Yes	6	85.7%	10	83.3%	0	0.0%
Travel expenses require copy receipt for other allowable expenses	No	4	57.1%	8	66.7%	1	100.0%
	Yes	3	42.9%	4	33.3%	0	0.0%
I recommend the finance duties should be performed by finance personnel concerning challenges I faced in performing finance activities	No	1	14.3%	3	25.0%	0	0.0%
	Yes	6	85.7%	9	75.0%	1	100.0%

(Source: researcher's survey 2016)

The same questions asked in table 4 were also seen from the education background point of view as it is described in Table 5 above. If you see the issue of intermingling funds, 57% of the second degree level respondents believe that funds should not be intermingled, where as 36.4% of the first degree level staff and none in the other category said that intermingling of funds should be avoided. This shows that as the level of education rises, people sense that in finance, it is important to avoid intermingling of different budget line of funds for proper account record keeping and reporting. However, still non-finance professionals are not all aware of the importance of not mixing funding when handling finance tasks. Regarding good receiving note, the principle and normal practice is that goods receiving note should be issued for all purchased items. It is only this time the the purchased goods are collected and stored in the organization's store. However, when we see the responses of the non-finance officers, some of them said that goods receiving note is not necessary. A person who is engaged in finance matters should necessary know what goods receiving note is and also

apply where it is necessary. The other question for the participants was, regarding copy receipt, 57.1% of the master level respondent, 66.7% first degree level respondents and 100% from the other group said that there is no problem with using copy documents for expenses incurred. In accounts record keeping, only original receipts and documents are only acceptable to be recognized as expenses. This is one of the major drawback of non-finance officers in handling finance matters. Most of the respondents agreed that finance and accounting duties need to be handled by accounting professionals and this showed that they really understood the challenges they have been facing in performing finance activities.

4.3 Finance skills of non-finance officers assigned to financial position

Table 6. Respondents' overall skill /Knowledge on the finance related activities

Questions	High	Medium	Low
Understanding of petty cash replenishment procedure of petty cash fund.	11(57.9%)	3(15.8%)	5(26.3%)
Skill of understanding about the type of attachment document needed for effecting each petty cash payments.	14(70%)	2(10%)	4(20%)
mandatory Points to handle petty cash fund of the organization	6(31.6%)	5(26.3%)	8(42.1%)
Understanding requirements before paying Business advance.	8(42.1%)	3(15.8%)	8(42.1%)
Knowledge of Per diem payment rules and procedures for training participants.	3(15%)	12(60%)	5(25%)
Calculation and threshold amount, know how, for taxes and related payments.	8(42.1%)	5(26.3%)	6(31.6%)
Understanding of payments which requires prior approval & contractual Agreements.	6(30%)	6(30%)	8(40%)
Identification of attachment list for each type of training payments.	8(40%)	8(40%)	4(20%)
Schedule of training programs to equip financial knowledge for non-finance employees.	11(55%)	4(20%)	5(25%)
Knowledge of proper expenditures record keeping	17(85%)	0	3(15%)

(Source: researcher's survey 2016)

Among respondents with high education level, which is masters' level, it is only 57% of them that they understand petty cash replenishment procedure. The other groups, which are at medium and low education levels, those who understand the petty cash procedure accounts to 15.8% and 26.3% respectively. The other question to the respondents was to check their understanding of the necessary attachments needed along with the petty cash replenishment. In this line, 70% from high education level, 10% from medium education level and 20% of the low education level respondents are aware of the attachments required for petty cash replenishment. Practically, all the respondents are highly engaged in handling petty cash and are in charge of preparing petty cash replenishment to be submitted to the finance section at their central office. Unless the Finance team at central office receive clean reports with the original supporting documents, it will be difficult to liquidate and replenish for ongoing activities. In addition, it is also difficult for central office to recognize expenses in timely manner to produce timely and up-to-date reports. When we see knowledge of understanding of mandatory points in handling petty cash, which includes where to keep cash, who should handle the cash, understanding that approval and payments should not be handled by a same person, 31.6% of the high level education group, 26.3% the medium level and 42.1% of the low level have the required knowledge. Regarding Business advance payment 42.1% of higher level education, 15.8% of the middle level and 42.1% of the lower level are aware of what should be fulfilled to effect the payment. There is also per diem payment classification of different towns, high cost, low cost towns depending on the town the training participants. Only 15% the respondents from high education level, 60% of the medium level and 25% of low level have this knowledge. Regarding calculation and threshold amount know how on taxes and related payments, 42.1% of the higher level respondents, 26.3% of middle level, 31.6% lower level are having the knowledge. The remaining respondents are not familiar with this procedure. The other question presented to the respondents was understanding of payments which requires prior approval and having signing contractual Agreements, it is only 30% of high level education respondents, 30% of the medium level and 40% of the lower level have the necessary knowledge to apply this financial requirement. There is always a need to identify attachment list for each type of training payments. However, 40% of the high level education, 40% of medium level education and 20% of the lower level respondents are aware of this procedure. The respondents have been asked if arranging of training

programs to equip financial knowledge for non-finance employees is necessary or not. 55% of high education level, 20% of middle level and 25% of lower level agree on this. The importance of record keeping was also asked. 85% of the higher education level, 0% of middle level and 15% of the low education level respondents understand the importance of record keeping of all expenditures. The other have difficulties in understanding the importance of keeping record of expenditures properly and timely.

As it is depicted in the tables above, the finance and accounting knowledge of the respondents who have been given the task of finance officer have limited knowledge of finance and accounting and are highly in problem in performing the accounting tasks. These people were hired to do different activities apart from finance and accounting. However, the organization has given them the finance and accounting task rather than hiring additional staff for the activity.

The above listed questions tabulated in different tables are the most critical parts and basic research variables of this paper. Therefore, in-depth dealing into them would be very important to answer the basic research questions and in doing so, it is expected to meet the stated main objectives of this study. For further analysis for these variables, mean and standard deviation were calculated. Particularly mean value of the respondents has considered as an important indicator to understand the extent of the knowledge of non-finance officers on each item. On the finance and accounting knowledge of the non-finance officers, group mean was calculated and used on each variable. The mean and group mean statistical values approaching to 2.00 and less than 2 indicate that it is in the poor performance side; if it is 3.00, the result would be average or moderate performance. If the result is 4.00, it indicates that it is in higher side of performance in relation to the specific question at hand.

As it was briefly mentioned in the literature part of this study, the most common function of an accountant or finance officer is reviewing, evaluating, analyzing, and verifying particular data or information in an effective and efficient way. The focus of this study is on the accounting and finance skill of non-finance officers of JSI in handling finance and

accounting matters in the organization. For each financial skill different questions were developed and measured based on their mean and group mean values.

4.3.1 Level of skill on the following petty cash related activities

A petty cash payment requires writing down the details of each transaction, which is a critical first steps in managing petty cash. Record keeping involves identification, classification, documenting and protection of original receipt or other source document. There is also a need for retention and transmission, and disposal of records for posting and preparation of financial statements. To accomplish this task properly, accounting and finance knowledge is required.

The level of skill and knowledge of the respondents mean, median and standard deviation calculation were made and summarized in the tables below

Table 7. Level of skill on petty cash related and controlling activities

Questions	N	Mean	Median	Std. Deviation
Understanding of petty cash replenishment procedure	20	2.320	3.000	0.885
Skill of understanding about the type of attachment document needed for effecting each petty cash payments.	20	2.500	3.000	0.827
Mandatory Points to handle petty cash fund of the organization	20	1.890	2.000	0.875
To pay Business advance which of the following should be fulfilled	20	2.000	2.000	0.943
Group mean		2.178		

(Source: researcher's survey 2016)

Table 7 above indicates level of skill/Knowledge on petty cash related activities of non-finance officers of JSI. When we see the first question which is understanding of petty cash replenishment procedure, it is mandatory for the petty cashier to understand the whole procedure. However, from the total respondent the group percentage shows about 2.178 which is average/moderate performance level with respect to the overall measures taken into consideration. Particularly, Skill of understanding about the type of attachment document needed for effecting each petty cash payments shows the mean value of 2.500. These, mean value implies that the skill of non-finance officers concerning petty cash attachment document is a little more than average while the mean value of Knowledge on the understanding of petty cash replenishment procedure indicates 2.320, even less than the skill of knowing of petty cash procedure. According to Kamruzzama, M, et. al., (2009), a person who is in charge of finance positions, he/she should necessarily have the skills, knowledge and attributes that the field requires. Hence, a person who is assigned in financial duties has to be qualified in the field so that he can easily understand the principle and discipline of the field and implement according to the requirements. Failing to follow the accounting principles and procedures would mean wrong record keeping and then unacceptable financial reports.

In addition Table 7 above indicates Mandatory Points to be observed to handle petty cash fund of the organization shows the lowest mean value of which is 1.890. These, mean values indicates that the skill of non-finance officers in relation to understanding mandatory practices to handle petty cash, is not satisfactory. These situations make the controlling aspect of accounting to be compromised. In addition when we see the second controlling question, among the requirements to be fulfilled to pay business advance the measured skill of non-finance officers mean value is 2.000, which is average or moderate performance level. In respect of the overall measures taken into consideration the average mean value of controlling related aspect is moderate. This means, the non-finance officers assigned for financial work have moderate skill in fulfilling the basic requirements in handling the petty cash payments and related procedures. The effective implementation and monitoring of a sound internal control system helps ensure that organizations meet their objectives, such as providing services to the community professionally, while utilizing resources efficiently and minimizing the risk of fraud, mismanagement or errors. However, the practice at JSI field

offices is exposed to errors and fraud if the recording and controlling systems is handled according to accounting procedures. In order to apply the correct accounting procedure one should have the knowledge and skill of finance and accounting. If the source documents are not collected and recorded properly, the organization suffers in getting clean financial documents to help them post to journal and close their accounts timely.

4.3.2. Training payments related activities

Table 8. Level of skill /Knowledge on the Training payments and related activities

Questions	N	Mean	Median	Std. Deviation
Knowledge of Per diem payment level (e.g. High cost, Low cost city) for training participants.	20	1.90	2.00	0.641
Calculation and threshold amount know how for taxes and related payments.	20	2.110	2.00	0.875
Understanding of payments which requires prior approval & contractual Agreements.	20	1.90	2.00	0.852
Identification of attachment list for each type of training payments.	20	2.20	2.00	0.768
Group Mean		2.03		

(Source: researcher's survey 2016)

Table 8above indicates the Training payments and related activities of JSI. Accordingly, the group mean is 2.028, which is average or moderate performance with respect to the overall measures taken into consideration. With the same table the moderate mean value, which is 2.200, it is given to ensuring an Identification of attachment list for each type of training payments.

The mean value shows 1.900for Knowledge of Perdiem payment level, which is identifying High cost or Low cost city, and at the same time Understanding of payments which requires

prior approval and contractual Agreements value is 1.900. These mean values imply the skill and knowledge of non-finance officers related to rules and regulations in training related payments is below average, which means many errors occur in effecting payments to training participants and other training package payments, which includes, hall rent, refreshments and supplies. The chance of correcting mistakes in this regard is most of the time very difficult and those expenses which has no acceptance by the finance and accounting section will not be liquidated and the officer is asked to deposit that amount from his/her pocket. Assigning staff to work in finance and accounting activities without adequate skill and knowledge is being a big challenge to the organization as well as to staff assigned to perform duties without knowledge and skill the work requires.

4.3.3. Level of skill on the record keeping related activities

Table 9 Level of skill /Knowledge on the record keeping and related activities

Questions	N	Mean	Median	Std. Deviation
Knowledge of proper expenditures record keeping	20	2.700	3.000	0.733

(Source: researcher’s survey 2016)

When we observe the mean value related to record keeping, it is 2.700, which is above average, which indicated that the skill of non-finance officers concerning financial recording is in a better position. However, record keeping is critical that all those engaged in finance and accounting tasks should be well aware of its importance. As Alex Jacobs (2009), states that the foundations of all accounting are basic records that describe your earnings and spending. This means the contracts and letters for money you receive and the receipts and the invoices for things that you buy need to be accounted properly. So, source documents, payments and receipts are basic for recording and proper record keeping is also equally important in accounting and finance.

As it is revealed in the methodology part of this study, the designed method of investigation is descriptive statistical analysis. Descriptive statistics are used to describe the basic features

of the data in the study. They form the basis of virtually every quantitative analysis of data by simplifying large amounts of data in a sensible way. To gain understandings of underlying reasons, opinions, and motivations, qualitative research is also used. Qualitative Research is used to uncover trends in thought and opinions, and dive deeper into the problem. Qualitative data collection methods vary, it can be used unstructured or semi-structured techniques. Some common methods include focus groups (group discussions), individual interviews, and participation/observations. The sample size is typically small, and respondents are selected to fulfill a given quota.

In this study, the researcher used qualitative research as well to obtain more information making use of interviews. From the central JSI office, both financial supervisors and finance staff, a total of five senior finance staff have been interviewed to get in depth information. The interview made to this staff include the following questions, some of which are to verify the survey questions included in the questionnaires. The analyses included in the interview were regarding petty cash fund handling procedure, training payments, including participants per diem and other training package expenses, internal control related activities and financial skill development activities.

Regarding petty cash handling procedure, the respondents in the interview were in opinion that the non-finance staff working in the regions are making errors in handling petty cash. They pointed out that in most cases they present incomplete documents. The purchase they made lack proper request and approval from authorized body. According to finance officers and supervisors interviewed, taxes, including withholding taxes are not attached with the reports coming from the field offices. It is also common that some of the payments or expenses made in the field offices are without proper receipt or non-original/copy documents. The central office finance staff have also explained that some cluster coordinators handle all financial transactions solely by themselves. The approval as well as payments are made by themselves and also handle documentations. When finance team tries to give them feedback to correct some of their errors, the non-finance team is complaining that the finance task is only voluntary work which they are not as such accountable for. Finally, the finance team recommended that the finance and accounting duty to be handled by finance professionals so that proper finance and accounting procedure are taken care of. It

is a matter that really should not be over looked. All the respondents have more than two years of experience, working on accounting and finance activities along with their other main tasks. From the information gathered, still they are committing mistakes and they are not comfortable in handling finance and accounting duties. If the organization is obliged to assign the non-finance staff on finance and accounting work, at least appropriate and prior orientation or training should be given on the basics of accounting, which should be followed by regular supportive supervisions. In addition, there should be segregation of duties in accordance of accounting principle. Otherwise, the organization will continue encountering problems in record keeping and reporting.

Chapter Five: Summary of Findings, Conclusion, Recommendations

5.1 Introduction

In this chapter, a discussion of research findings were presented. Conclusions are drawn and recommendations made. The findings, conclusions and recommendations were made in accordance with the research objectives. Answers to these objectives were from primary data, which the researcher collected from the Cluster (field offices) at regional level and country office staffs of JSI in Addis Ababa.

5.2 Summary Findings

This section discussed the research findings in relation to the research questions stipulated in the study questionnaire.

The researcher first checked the education background of the respondents and found that most of them are either first degree or second degree levels. There are drivers whose education level is at secondary school level and all the staff, including the drivers are involved in handling finance matters led by the cluster coordinator. The highest education level attained, (Master's Degree) accounts 60% of the total respondents and first degree holders accounts for 35%. The remaining respondent was secondary school level that accounts only 5%. This shows that majority of the respondents possessed first degree or above, which accounts 95%. Despite that fact that majority of the respondents possessed first degree or above, their field of study is not related to finance and accounting. When we see their field of study or qualification, it ranges from driver to Masters Level in public health. It is also shown that 100 % of the cluster staffs are not an accountant or related discipline, they are nurses, public health officers and nutritionist. Their main responsibilities are related to their qualifications and they were giving more focus for their programmatic tasks they hired for.

The other questions were related to intermingling of funds where the majority of respondents said that there don't actually see the problem attached to mixing of funding

from different budget lines. Substantial number of cluster coordinators, 40% of them said they don't appreciate the theproblem associated with mixing different funds from separate budget lines. For accounting, it is a real challenge to mix different budget lines, starting from recording to producing reports, it will be a very big challenge for finance and accounting and will be difficult to reconcile the accounts. For handling finance and accounting, all those who are in charge should necessarily understand the effect of mixing funding and should never exercise this malpractices.

As it is indicated above, the cluster coordinators are in charge of representing the JSI in different sites located in the regional states. Their main responsibility is programmatic, not as such finance and account handling. As additional task, they are expected to approve and execute payments.Sometimes the accounting related activities engage them more often than not. But, because of their education background, they are not able to execute accounting aspect to acceptable level. They are also aware of this situation and always they want to be relived from the finance and accounting responsibilities. We can easily understand this, from the response summarized in Table 4, which indicates that all the cluster coordinators (100%)specified that since they encountered challenges in discharging the accounting and financial duties, they recommend to transfer finance and accounting responsibility to a personnel trained in the field. In relation to the question of intermingling of funds, 40% of the cluster coordinators responded that there is no problem in mixed different funds with petty cash. As it is indicated in the table 4, the responses of field and program officers and drivers are also similar to that of the cluster coordinator; the majority of the respondents from field officers and program officers are in thinking that there is no problem in intermingling other funds with petty cash. The drivers working in the sites have also responsibility in handling cash as additional task and all of the respondent said that there is no problem of mixing funds.

In addition, Goods receiving note (GRN), which is a crucial document in recording and documenting the purchased items is not well known by the cluster coordinator and other group in the regional field office. All of them indicated that GRN is not important to be attached with purchase invoices. They are thinking that no point to issue GRN to purchased items.

There was also a question related to having original receipts for allowable travel expenses. But, most of the cluster coordinators, all the drivers, again most of the field and program officers think that there is no problem in accepting copy of receipts for liquidation. According to accounting procedure, copy receipts or any other finance related documents are not acceptable as a source document for recognizing expenses. This is one of the major drawbacks with non-finance officers handling accounting tasks. In accounting practice, it is not possible at all to use copy receipts or documents to use as a source document for record keeping.

As it is indicated above, the other question to the non-finance staff was to get their recommendation in assigning only trained finance officers for finance and accounting tasks and almost all respondents recommended finance task to be done only by finance officers.

If we see the mean and standard deviation calculated for different variables, one can easily understand that the majority of the respondents are looking the correct accounting principle. The mean value of the respondents is considered as an important indicator to understand the extent of the knowledge of non-finance officers on each item. Almost all the mean and group mean statistical is less or equal to average, which indicates that it is in the performance of non-finance staff is poor compared to the accepted accounting practices. The utmost main function of an accountant or finance officer is reviewing, evaluating, analyzing, and verifying particular data or information in an effective and efficient way. However, the accounting performance of the non-finance are not in a position to accomplish the task properly, as it is seen from the survey.

5.3 Conclusion

The study set out to evaluate the performance of non-finance staff assigned for accounting and finance activities without possessing the necessary accounting skills. Key accounting tasks were selected from what these non-finance staff perform at the time of study and beyond. The questions were structured in the form of questionnaire which included the following questions:

- Intermingling of funds from different budget line and whether it should be avoided in handling petty cash fund of the organization was one of the key questions
- The importance of record keeping and how it is handled
- Knowledge of per diem payment and disaggregating based on living costs of a given town (e.g. High cost, Low cost town) to pay for training participants.
- Calculation and threshold amount know how on taxes and related payments application.
- Understanding of effecting payments which requires prior approval or contractual Agreements.
- Understanding of petty cash replenishment preparation and submission procedure
- Understanding and Identification attachment needed in preparation and presenting training expenses.
- Requirement to be observed and fulfilled before effecting payments of Business advance
- Skill of understanding about the type of attachment document needed for effecting each petty cash payments
- Understanding of allowable training expenses

All the above points were examined thoroughly and the knowledge of participants in the above areas were found to be inadequate to run accounting and finance matters. In some cases, the majority knowledge of participants of the study could be better but not able to do the job without error. In order to efficiently run accounting tasks, it is important to be conversant in all aspects of accounting and finance discipline so that the review of documents, recording and reporting are set correctly.

In addition, these program officers whose primary responsibilities are programmatic are not well aware of the financial manual of the organization. They are not motivated to look into the financial manual and also they don't have time to do so. The financial task of non-finance officers is also not reflected in their job description, it is only sideways assignment. There is a practice also that if the non-finance officer made mistakes in certain payments and transaction, he or she is liable to pay back the money to the organization. This situation is also another discouraging matter for these officers. The other point is that, engaging the

program staff in accounting and finance would take their much of time that should be used for their programmatic activities.

From the above points of view drawn from this study, it can easily be concluded that accounting and finance tasks should not be neglected and the task needs trained personnel in finance and accounting. Assigning program staff for accounting and finance activities has different draw backs. The main drawback is, accounting procedures could not be well observed and proper review, record and report would be compromised. It is also a demotivating factor for the program staff to handle accounting and finance matters which they are not qualified.

5.4 Recommendations

After considering the results of this study, recommendations are suggested that should provide more information to JSI and senior managers on how to improve and maintain proper accounting and finance procedure by deploying trained staff in accountancy.

As it is indicated in the first chapter of this study, the main objectives of handling accounts properly and maintaining accurate record keeping include the following:

- To provide an accurate, thorough picture of operating results.
- To permit a quick comparison of current data with prior years' operating results and budgetary goals.
- To offer financial statement for use by management, host country and Donors.
- To facilitate the prompt filing of reports and tax returns to regulatory and tax collecting government agencies.
- To reveal employees fraud, theft, waste and record keeping errors.
- To allow for fast, accurate, and reliable access to records, ensuring the timely destructions of redundant information and the identification and protection of vital and historically important records.

The above main tasks can only be implemented by a trained professional in finance and accounting and the researcher would like to strongly recommend to JSI the following action to realize the above objectives in their accounting and finance systems.

1. Accounting and finance duties should be performed by professionals in finance and accounting.
2. Each of the cluster field offices in the regions need to have at least one accountant trained in accountancy.
3. If the situation obliged to assign for finance duties a non-finance staff, basic accounting training should be provided.
4. After the training and assigning in the field office, regular follow up and supportive supervisions by finance staff from the central office should be conducted.
5. The job description of the non-finance staff should be revised and the accounting task should be reflected.
6. Responsibility and accountability should be clearly defined.
7. Finance manual of the organization should be popularized for all staff in the organization and the finance team should be highly conversant of this key document for finance and accounting work.
8. Proper incentive should be attached for additional finance works given for non-finance staff.
9. Regular refresher trainings should also be provide.

In general JSI has strong financial systems and it has to be observed and implemented accordingly and copy of the manual should be kept in the regional offices for their reference. It is also important to review the manual to amend to the ever changing environment.

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Financial Management related Questionnaires (for JSI employee's only)

Dear Respondent,

This questionnaire seeks to evaluate the Impact of Assigning Non-finance officers for Financial Duty Positions on Managing Financial Resources: The case of John Snow, Inc. (JSI) Integrated Family Health Program (IFHP) .Your cooperation is very crucial for the success of this research.

The information you provide will be used for purely academic purposes and will be treated with utmost confidentiality. Participation is voluntary and no need to write your name.

Thank you for your time and cooperation.

Personal Information

a. Your highest Educational level attained :

Diploma Undergraduate Degree Master's Degree PhD Other _____

b. Qualification: _____

c. Total years of job Experience _____

d. Your current position _____

e. Region: 1.Oromia 2. SNNPR 3.Amhara 4.Tigray

(Circle all the correct answer/s)

S.no	Questions	Answer Choices
A. Petty cash fund		
Q1.	Which conditions should be fulfilled to replenish petty cash fund?	1 Submission of approved expenditure summery. 2 Remaining cash on hand becomes 25% of the fund. 3 Compiled payment documents. 4 When we finished the petty cash fund on hand.

S.no	Questions	Answer Choices
Q2.	Which points should be maintained in handling petty cash fund of the organization?	<ol style="list-style-type: none"> 1. Kept at a safe box. 2. Should be handled by petty cashier. 3. Approval and payment of petty cash by the same person possible at difficult situations. 4. Intermingling of funds should be avoided.
Q3.	Which withholding tax deduction threshold amount is correct	<ol style="list-style-type: none"> 1. Above birr 500.00 for service payment. 2. Above birr 10,000.00 for purchase payment. 3. The threshold amount for service & purchase are equal. 4. Binding & photocopy services withholding tax threshold is birr 500.00
Q4.	All expenditures must include :	<ol style="list-style-type: none"> 1. Vendor name 2. Description of goods or service being purchased 3. Amount paid 4. Date paid 5. Signature. 6. Approval.
Q5.	To pay Business advance which of the following should be fulfilled?	<ol style="list-style-type: none"> 1. Approved Business advance request. 2. One Business advance at a time. 3. Given for the Organizational purpose only. 4. Treatment of Business advance as personal advance sometimes possible.
Q6.	Is there surprise cash count?	<ol style="list-style-type: none"> 1. Yes_____ 2. No_____
Q7.	Which of the following documents should be required to pay petty cash payments?	<ol style="list-style-type: none"> 1. Approved request for payment. 2. Cash invoice. 3. Goods receiving note 4. Cash receipt excluding the organizations name.
Q8.	Which of the following should be included as attachments of Purchase of materials?	<ol style="list-style-type: none"> 1. Approved Purchase request. 2. Cash receipt invoices. 3. Goods receiving note. 4. Performa invoices only.

S.no	Questions	Answer Choices
Q9.	Travel expenses require which of the following documents?	<ol style="list-style-type: none"> 1. Approved travel advance form 2. Approved travel expense report form. 3. Approved trip report form. 4. Copy receipt for other allowable expenses.
B. Training payments		
Q10.	The attachments of training payments should contain?	<ol style="list-style-type: none"> 1. Payment sheet without approval 2. Approved Attendance sheet. 3. Approved Registration sheet. 4. Document transmittal (if the payment is through post office). 5. Withholding tax. 6. Transportation, Refreshment, Hall rent receipts etc.
Q11.	What are your difficulties at time of training payments?	<ol style="list-style-type: none"> 1. Compiling the payment sheet. 2. Calculating payments. 3. Tax deductions. 4. Handling transportation payments. 5. Others. Please specify_____
Q12	Circle all high cost cities according to IFHP rule.	<ol style="list-style-type: none"> 1. Addis Ababa 7.Axum13.Dilla 2. Hawassa8.Gondar14.Bishoftu 3.Shashemene 9.Deberetabor15.Harar 4. Nekemte. 10.Mekele16.Ambo 5. Adama11.Jimma 17.Debre Markos 6.Bahirdar12.Dessie18.Adigrat.
C. Budget Related activities		
Q13	What are the requirements of budget approval before training payments?	<ol style="list-style-type: none"> 1. Work plan. 2. Detailed action plan. 3. Availability of fund 4. List of training participants.
Q14.	Which of the training payments require prior contractual Agreements?	<ol style="list-style-type: none"> 1. Refreshment payment. 2. Hall rent. 3. Resource person payment. 4. LCD rent.

S.no	Questions	Answer Choices
Q15.	Before training payments there should be an approved budget	1. Yes _____ 2. No _____
Q16.	Additional budget requested for training payments which paid above the approved budget.	1. Yes _____ 2. No _____.
D. Financial skill development activities		
Q17.	At what time interval is a training programs scheduled to equip financial knowledge for non-finance employees.	1. Quarterly 2. Yearly 3. More than a year 4. Occasionally
Q18.	How do you rate your time management ability to perform the added financial assignments?	1. Very high 2. High 3. Medium 4. Low
Q19.	Do you have any access for new financial procedures, rules & regulations?	1. Yes _____ 2. No _____ If No, why? _____
Q20.	Are you comfortable performing financial duties? Please describe.	1. Yes _____ 2. No _____ If No, why? _____
Q21.	What are the challenges you faced while performing financial duties?	1. Work load 2. Accountability. 3. Lack of know how 4. Not insured for loss of money. 5. Others (Specify): _____
Q22.	What type of trainings do you propose to improve your financial knowledge?	1. Book keeping. 2. Introduction to accounting training. 3. Principles of accounting training. 4. Training on budget preparation.

S.no	Questions	Answer Choices
Q23.	What other recommendations do you have concerning challenges you faced in performing finance activities?	<ol style="list-style-type: none"> 1. Other additional trainings. 2. Outsourcing the finance duties to other organizations. 3. The finance duties should be performed by finance personnel. 4. Others (Specify): _____.

Thank you for your time.