



## **CRITICAL ANALYSIS OF THE EFFECTS OF THE FINANCIAL FUNCTION OF PUBLIC HEALTH ORGANIZATIONS: CASE OF THE GENERAL REFERENCE HOSPITAL OF N'DJILI IN 2021.**

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## Summary

The Democratic Republic of Congo is plagued by anti-values in the management of public goods (corruption, embezzlement, theft, ...), the decision-maker should promote simple and adequate management rules to protect the financial resources of his organization.

This study falls within the interpretivist paradigm. The objective is to conduct a critical analysis of compliance with financial management practices and procedures in a public health institution using comparative analysis, observation, and documentary methods.

Critically, the N'djili General Referral Hospital realized 1,375,065,095 CFA francs during the year and committed 1,375,102,590 CFA francs, i.e., a recovery rate of 99%. 5,771 patients attended the hospital in 2022. As a result, the financial circuit staff was evaluated at 21%, the quality of accounting documents was evaluated at 64%, the collection process at 57% and disbursement at 40%. In addition, the security and archiving of documents was evaluated at 40%. This shows that the way in which public finances are managed at the RGH in N'djili shows red flags of fraud. We judged it as bad (50%). This is because we found that this health organization operates without a procedures manual, with staff who have no knowledge of fraud risk management. The analysis of the risks, strengths and weaknesses of the financial circuit showed that the public finances of the N'djili HGR are exposed to a high risk of fraud (66%); with threats of embezzlement, falsification and loss of funds and supporting documents in the circuit of collection and disbursement.

**Keywords: Critical, Management, Financial, Fraud risk.**

## Abstract

Since the DRC is plagued by anti-values in the management of public goods (corruption, embezzlement, theft, etc.), the decision-maker should promote simple and adequate management rules to protect the financial resources of his organization.

This study is in line with the interpretivist paradigm of social science. The objective is to conduct a critical analysis of the respect of financial management practices and procedures in a public health institution using comparative analysis, observation, and documentary methods. Critically, the RGH of N'djili realized during the year 1,375,065,095 CF and committed 1,375,102,590 CF, a recovery rate of 99%. 5,771 patients attended the hospital in 2022. As a result, the financial circuit staff was evaluated at 21%, the quality of accounting documents was evaluated at 64%, the process of collection at 57% and disbursement at 40%. In addition, the security and archiving of documents was evaluated at 40%. This shows that the way in which

public finances are managed at the RGH in N'djili shows red flags of fraud. We evaluated it as

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bad (50%). This is because we found that this health organization operates without a procedures manual with staff who do not have knowledge of fraud risk management.

The analysis of the risks, strengths and weaknesses of the financial circuit showed that the public finances of the N'djili HGR are exposed to a high risk of fraud (66%); with threats of embezzlement, falsification and loss of funds and supporting documents in the collection and disbursement circuit.

**Key words: Criticality, Management, Financial, Fraud Risk.**

## **Introduction**

In its management, the hospital must face the problem of the "balance" between its needs and its resources. This balance has a trilogy: a quantitative aspect, because the resource must exceed the demand; a qualitative aspect, that is, the resource must have a stability comparable to the demand; and a structural aspect, that is, the resources must be proportional to each other and the needs must be adapted to the level of activity (PIERRAT, 2010).

J.L. Bernasconi notes that public finances have as their objective the general interest. They play a crucial role in a democratic state wishing to develop. Its management requires good governance, because a budgetary policy focused on objectives and transparent budgetary management are the basis for public services aimed at reducing poverty and achieving the Sustainable Development Goals (SDGs) (JM Bernasconi & all, 2020).

In the Democratic Republic of Congo, the disengagement of the state from the regulation and financing of the health sector, coupled with problems of governance, political interference characterized by the assignment of personnel with no mastery of the financial circuit, have led to a serious weakening of the country's health system. Widespread and unregulated fee-for-service remuneration is both a cause and a consequence of a commercialization phenomenon that increasingly deprives urban and rural populations of access to quality primary health care (BTC, 2015).

The Congolese public hospital is rightly considered to be a social institution, but expenditure allocations are made in such a way as to consume all the revenue generated during the accounting period. Sometimes, it finds itself with untrained personnel, unreinforced services, dilapidated buildings, dilapidated work tools due to lack of funding and neglect of investments. This shows that the Congolese public hospital has needs: training of personnel, need for acquisition of new materials, need for investment, etc.

In the DRC health system, the HGR of N'djili occupies a place of choice (operational level)

where the provision of care is of reference. As a result, it generates income and incurs expenses.

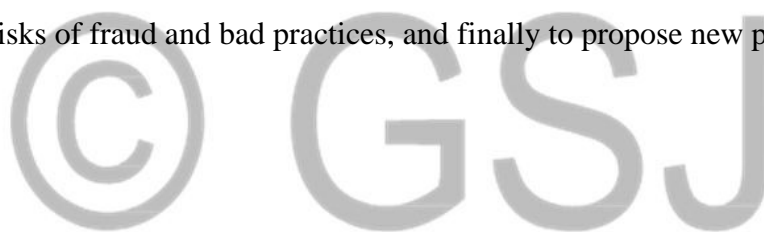
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The mobilized funds present a major stake for the survival of the establishment, the control of the balance and the competitiveness in the realization of the mission devolved to it, that to save life and to train students of the ISTM Kinshasa as well as those of the other establishments for their research.

This situation inspires this research question, which aims to evaluate the level of compliance with financial management standards at the RGH of N'djili in order to identify discrepancies and propose solutions that would reduce, if possible, the risks of anti-values that we have identified above. From there, we will identify the necessary approaches to manage the financial resources of this public hospital, reducing its negative effects and consequently, favoring its impact in the care of the community.

In view of this problem, the main question is: **are the practices and procedures of the financial function observed at the RGH of N'djili?**

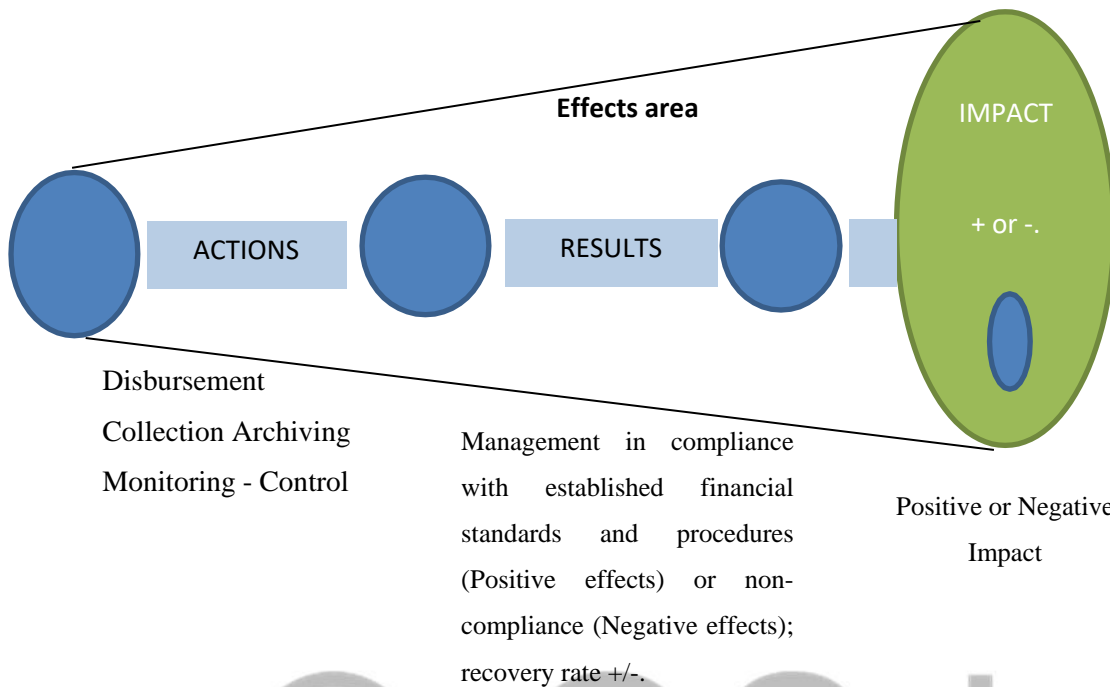
Therefore, the purpose of this study is to criticize the management of public finances in a social health institution. This evaluative critique will allow for an in-depth diagnosis of the respect of financial management practices and procedures in this public hospital in order to detect flaws, particularly the risks of fraud and bad practices, and finally to propose new perspectives.



## 1. Terms of reference

In this study, the ideas are organized as follows:

**Figure 1: Conceptual framework for evaluating procedures and practices**



### 1.1. With regard to the actions

The actions of the financial function of the N'djili RGH that we consider in this study are the following:

- Collection: this refers to all incoming cash movements. In other words, the inflow of money (receipts) through the cash register and/or the bank;
- Disbursement: this takes into account all outgoing cash movements. It represents the outflow of money by an organization (expenses).
- The quality of the supporting documents and accounting documents: a supporting document is a document that is issued by the supplier or the company to justify an outflow of funds or an inflow of funds. It must contain in it, the respect of certain quality conditions (no overwriting, erasure, have a header, a date, certified, paid). The accounting document represents all the supporting documents that can legitimize the accounting entries made in a general accounting system (invoices, bank statement, delivery note, stock sheet, bank statements, etc.).
- The securing and archiving of accounting documents: An action that consists in keeping the accounting documents for possible future audits. It is about keeping the historical evidence of the accounting operations executed during the accounting period of an

organization.

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## **1.2. With regard to the results**

At this level, we are in the realization of the activities. Within the framework of this study, we will check the procedure, the way of doing things.

Every organization sets up standards and procedures for a secure financial management. This is what we are going to verify at the HGR of N'djili.

In the realization, there is the production of effects:

- On the one hand, the effects would be positive when the N'djili HGR carries out its financial activities in compliance with standards. The accounting will be sound and the supporting documents will not be contested during the various possible controls by the governing bodies. The positive effects can also be the improvement of the agents' working conditions. Better allocation of financial resources also generates motivation within the organization. The improvement of technical facilities (available inputs, quality equipment with assured maintenance, good care of patients, good recovery ratio, accessibility of patients to care, etc.);
- On the other hand, the negative effects that can arise from the mismanagement of financial resources. From the misallocation and misdirection of resources to the needs that created them (corruption, theft, embezzlement, fraud, ...). This deteriorates the working conditions (personnel management, financial profitability, non-existent investment, lack of supplies, etc.) and impacts in particular on the quality of patient care (transferred patients, too many deaths, lack of inputs, insufficient technical platforms, etc.).

## **1.3. The impact**

The impact is in the post-ante evaluation. It is not easy to demonstrate this without a mastery of the previous situation. In this study, the impact is linked to the primary mission of the public hospital in the DRC: "to relieve the sick by providing quality care while offering a complete package of activities. In other words, the hospital must provide quality, comprehensive, continuous and integrated health care.

This must be felt or manifested in the community by the indicators of morbidity and mortality as well as others. The impact of the financial function should be reflected in the care of patients and in the extent of health coverage offered by the RGH of N'djili for the population in its health zone and for those outside its health zone.

## **2. Financial management procedures and practices**

Procedures organize and improve the production of companies. They describe, step by step, and in a formalized way, the way tasks must be performed, as well as the associated roles and responsibilities. Indeed, it is hard to imagine an employee regularly taking large-scale initiatives for his company without informing at least one of his superiors. If everyone could do this, there would be anarchy.

To summarize, procedures ensure the control of tasks and collaborations: they coordinate them and verify their alignment with the organization's strategy. They therefore serve a purpose: to ensure operational excellence and reduce the risk of disorganized initiative (Philonomist.com). Good or bad financial management also refers to the practices and procedures in place in each organization. Going against them can impinge on the quality of that management.

## **3. Methodological approach**

### **3.1. Justification of the study area**

The public health system in the DRC is pyramidal. It has three levels: the central level: the Ministry of Health, the General Secretariat, etc.; the intermediate level: Provincial Health Inspectorate, Provincial Health Division and the operational level: Health Zone, General Reference Hospital and Health Centers.

The Provincial Division of Kinshasa has 35 Health Zones including N'djili. Each Health Zone has a General Hospital of Reference following the pyramid of the DRC health system.

The General Reference Hospitals are either managed by the Congolese State through the Provincial Ministry of Health only following the decentralization that has taken place in our country; they are also either ceded to philanthropic organizations (for example: CHR 1st of Masina); or managed by two ministries at the same time. This is the case of the General Reference Hospital of N'djili, created in 1958, which we have chosen to conduct this study. This hospital was chosen because of its mission to save lives, to train health professionals, and above all, its dependence on the Ministry of Higher Education and Universities through the ISTM and the Ministry of Health. In addition, the HGR of N'djili has a capacity of 150 budgetary beds of which 133 beds are actually used with a large number of personnel (377 agents).

### **3.2. Methods and techniques**

This is a critical study with an evaluative and descriptive purpose, based on retrospective data

as it concerns the year 2021. We are conducting exploratory research because we are seeking to address new phenomena in the practice of financial management within health organizations.

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The study used non-participant observation because the researcher was not part of the social setting observed. The comparative analysis method was also used in this study, as well as the documentary method, which helped to exploit the various financial reports or accounting documents of the N'djili HGR; to consult the tool of the General Health Inspection.

These methods were combined with the convenience sampling technique, a non-probability sampling technique where subjects are chosen because of their accessibility and proximity to the researcher; the SWOT analysis technique; and the armed observation technique that helped the researcher propose questions to subjects and record responses to facilitate evaluation and analysis.

### 3.3. Validation of results

Evaluation is the act of assigning a score. In this study, we will validate the threshold of the factors under study by the following modalities: Excellent, Good, Poor and Mediocre. Referring to the ISO, we apply this criterion to keep a standing at the level of acceptability of this evaluation as it is done in large projects such as the GFP.

80% to 100% = Excellent

60% to 79% = Good

50 to 59% = Bad

Less than 50% = Poor.

According to the 2015 ISO 9001 Self-Assessment Grid, 100% demonstrates compliance with the standards. For this study, we believe that at the threshold of 80% we can validate, say that the assessment is good.

The study identifies the following indicators:

- The average % of evaluation of compliance with procedures during collections;
- The average % assessment of compliance with procedures during disbursements ;
- The average % of evaluation of compliance with procedures when archiving and securing funds;
- The average % assessment of compliance with submission of supporting documentation;
- % of final assessment.

#### 4. Results

**Table 1. Characteristic of the staff of the financial circuit**

<i>Profiling</i>	<b>Observed numbers</b>			
	<i>Male</i>	<i>%</i>	<i>Woman</i>	<i>%</i>
<b><u>Respondent's department</u></b>				
Accounting, Billing and Collection	6	75	4	50
Auxiliary, Central and Receiving	2	25	2	25
Budget-Control	0	0	1	12,5
Procurement	0	0	1	12,5
Total	8	100	8	100
<b>Average seniority</b>	24 years old	-	22.67 years	-
<b><u>Level of study</u></b>				
D6	4	50	3	37,5
G3	2	25	2	25
L2	2	25	3	37,5
Total	8	100	8	100
<b><u>The industry pursued</u></b>				
GIS	3	37,5	3	37,5
Accounting or Financial Management	2	25	2	25
Other	3	37,5	3	37,5
Total	8	100	8	100

*Source: Table designed by us based on field data.*

This table shows that 8 respondents (50%) are men and 8 respondents (50%) are women, while the average period of engagement for male respondents is 24 years and for women is 22.7 years.

In addition, the majority of respondents, 62.5%, work in the accounting, billing and collection department, while 37.5% of respondents work in the cashier, reception and supply departments. 43.7% of these agents have a D6 level of education, 25% are graduates and 31.3% have a bachelor's degree. 37.5% have studied health institution management, 25% of respondents have studied accounting and financial management, while 37.5% of agents have not studied finance or management.

**Table 2. Evaluation of the staff of the financial circuit**

<i>Staff evaluation questions</i>	Frequency		%
	Expected	Observed (yes)	
Do you get paid?	16	16	100%
Do you know your tasks?	16	16	100%
Do you have a job description?	16	6	38%
Do you know a financial management software?	16	4	25%
Do you have computer skills?	16	5	31%
What financial management software do you know how to use?	16	0	0%
Do you have the right tools for financial management?	16	0	0%
Do you have financial management guidelines (procedure manual, ToR, checklist, etc.)?	16	0	0%
Have you been trained in risk and fraud management?	16	0	0%
Do you do sports check	16	0	0%
Are you diligent in identifying cases of fraud?	16	0	0%
Have you ever detected fraud in your services?	16	0	0%
Do you have a risk management policy?	16	0	0%
Are the reference texts popularized? (Procedure manual, list of suppliers, budget, price list, etc.)	16	0	0%
Average			21%

*Source: Table designed by us based on field data.*

Regarding staff remuneration, 100% agreed that they are paid. These agents declare that they know their tasks (100%) but only 38% have their job description. None of them knew any financial management software, although 31% had computer skills. The RGH of N'djili does not have adequate tools for financial management, nor cost repositories, nor procedure manuals.

In addition, none of the respondents acknowledged that they had been trained in fraud risk

management or that they had even taken the necessary steps to detect cases of fraud in the financial management of the N'Djili RGH. Finally, 25% recognized that the texts (fee schedule, budget forecast, circular note) were made available to the public, as shown in Table 2.

**Table 3. Assessment of the quality of accounting documents**

Compliance of supporting documents	Frequency		%
	Expected	Observed	
Existence of tracked supporting documents	138	138	100%
Is the document well archived? (Well filed, with number)	138	42	30%
Is the invoice paid and signed? (Date, at the top, without erasure or overwriting)	138	130	94%
Existence of a proforma invoice	138	55	40%
Exit slip/bank statement of payment	138	138	100%
Authorization or payment order	138	138	100%
Statement of need or purchase requisition	138	138	100%
Receipt or delivery note	138	0	0%
Order form	138	0	0%
Selection Report / Price Comparison Table	138	0	0%
Is the procurement criterion in the case of a competitive contract met?	138	0	0%
Expenditure authorized by the budgetary authority (please check signatories)	138	138	100%
The amount entered in the PO is consistent with the amount entered on the invoice and the cash book or bank statement	138	137	99%
Payment within the accounting period	138	138	100%
Compliance of invoice dates and payment authorization	138	138	100%
Average			64%

*Source: Table designed by us based on field data.*

The fieldwork showed that there were indeed supporting documents at the N'djili HGR. 138 bundles of expense vouchers were used. Nevertheless, 30% of these documents are archived. The analysis of these documents showed that 94% of the invoices were paid and complied with the classic standards for an invoice. Concerning purchases, only 40% of pro forma invoices are found in the set of accounting documents.

It was also observed that all payments were authorized by the financial officer, having exit vouchers. However, no procurement document was entered in the file, regardless of the amount

of the purchases, so there was no competition with suppliers. No supplier selection report (see Table 3).

**Table 4. Evaluation of the collection**

Evaluation of procedures during collection	Frequency		%
	Expected	Observed	
Presence of the cash/day stop tickets	50	50	100%
Monthly/Quarterly cash report available	4	4	100%
Cash book available and completed	1	1	100%
12-month bank statements for 2021 are available	12	0	0%
Bank Journal available	1	0	0%
Entry voucher available (stumps)	50	50	100%
The procedures manual details how to collect	1	0	0%
Average			57%

*Source: Table designed by us based on field data.*

The information on cash receipts indicates that the department produces stop payment tickets on a daily basis (100%). 50 cash closure tickets were observed. The finance department produces monthly or quarterly cash reports on a quarterly basis (100%).

The cashier's office at the N'djili RGH records entries in the cash journal, which is available (100%). Here, we are interested in the availability and correct completion of this document. The traces of cash receipts on the cash receipt forms were visible and remarkable.

However, the bank journal and bank statements are not available. This implies the non-use of the bank area for cash transactions (0%). The absence of these bank documents does not mean that the RGH does not have a bank account or does not carry out banking operations. Rather, during our visit, we did not have access to these documents. And, the disbursement procedure is not written in a procedure manual of the RGH of N'djili. On average, the collection was evaluated at 57% as shown in table n°4.

**Table 5. Disbursement Evaluation**



DISCLAIMER	Frequency		%
	Expected	Observed	
Exit voucher available (strains)	50	50	100%
Bank statement for the outflow of funds	50	0	0%
Payment order	50	50	100%
Notice of disbursement	50	0	0%
The procedures manual details how to disburse	1	0	0%
Average			40%

Source: Table designed by us based on field data.

The majority of disbursements in the N'djili RGH are made by the cashier (100%), as shown in the first mode of table 5. This payment is made thanks to the payment authorization issued by the financial authority.

However, there are no bank statements proving disbursement by bank, no disbursement notices to express the need to better prepare the cash flow and the non-existent procedure manual contributes to the lack of clear procedures on how to disburse within the N'djili RGH. The average of this evaluation is 40%.

**Table 6. Security assessment and archiving**

Security and archiving	Frequency		%
	Expected	Observed	
The treasury has safe deposit boxes (Central and auxiliary)	1	1	100%
The accounting documents are in closed cabinets	1	0	0%
Are there any contracts established with suppliers?	1	0	0%
Do the vouchers contain management signatures/authorizations?	1	1	100%
Does the procedures manual exist?	1	0	0
Average			40%

Source: Table designed by us based on field data.

At the RGH in N'djili, the funds collected are kept in the safe at the central cash desk. The auxiliary cashiers do not have a safe. But the accounting documents are not stored in lockable cabinets (0%). The RGH of N'djili does not have a signed contract with certain suppliers (0%). The supporting documents are certified by the authorities (AGT or MD) (100%). The procedure manual does not exist at the N'djili RGH. No information on the archiving of

accounting documents as indicated in Table 6.

**Table 7. Summary table of financial management actions**

Indicators of financial management actions	%
Average quality of supporting documents	64%
Average collection	57%
Average disbursement	40%
Medium security and archiving	40%
<b>Total</b>	<b>50%</b>

Source: Table designed by us based on field data.

Table 7 combines the averages of the variables (indicators) on financial procedures and practices at the N'djili RGH. When combined, the overall average evaluation is 50%.



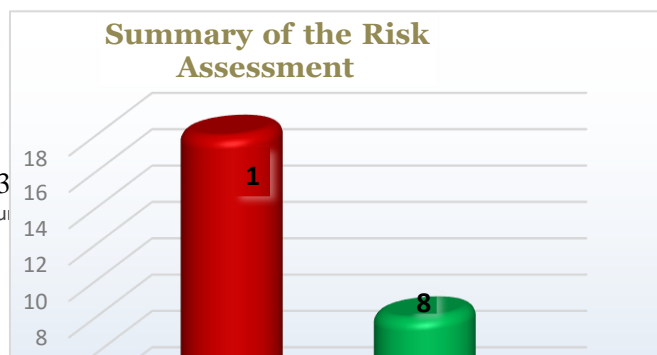
**Table 9. Summary table of financial risk assessment**

NUMBER OF RISKS BY RISK LEVEL	
Risk level	Number
High	18
Medium	1
Low	8
<b>TOTAL COUNT</b>	<b>27</b>

Source: Table designed by us based on field data.

**Figure 2. Histogram of risks**

By analyzing the opinions of the staff of the financial circuit on risk management, we obtained the following results 18 or 66% of risks are



identified as high; 8 risks or 29.6% are identified as low and 1 medium risk.

In analyzing in detail, we noticed that the RGH of N'djili has not put in place any mechanism to :

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- Risk governance;
- Risk detection
- Risk Survey;
- Risk monitoring.

### The recovery rate

The collection rate is an indicator that verifies and confirms the viability of a facility. The collection rate is the basic, most frequent and most widely used indicator of collection activity. It is an indicator of how well collection work has been carried out over a reference period.

1) Average revenue per case : 
$$\frac{\text{Total revenue}}{\text{Number of patients of cases of the year}}$$
  
Average revenue per case: 
$$\frac{1,375,065,095}{5.771} = 238,271.5 \text{ CF for one patient.}$$

2) Average costs per case : 
$$\frac{\text{Total Costs}}{\text{Number of patients of cases of the year}}$$
  
Average costs per case: 
$$\frac{1,375,102,590}{5.771} = 238,278.04 \text{ FC for one patient.}$$

Recovery rate = Average revenue per case / Average costs per case

$$\text{Recovery rate} = \frac{238,271.50}{238,278,04} = 0.99 \text{ or } 99\%.$$

At this level, it should be noted that the rate of 1 (100%) means that all revenues directly finance expenditures. However, the rate of 99% shows that the revenues of the N'djili HGR do not finance all of the expenditures.

Finally, after analysis, the general observation is that practices and procedures in terms of the financial function are not observed at the RGH of N'djili.

## 5. Discussion

The results of the evaluation of financial management procedures and practices at the N'djili RGH show that the practice is not good. Analysis of Table 8 shows that the combined average of the indicators considered in the study is 50%. Accordingly, based on the validation criteria that we have established, this evaluation is in the range of 50% to 59% with a rating of "Poor". The European Union report assessing financial management performance in the DRC found that most aspects of the country's public financial management system are not functioning at a satisfactory level. It goes on to say that: "procedures for controlling expenditure commitments and other matters are not respected by organizations. This observation is in line with our results recorded in the management of the HGR of N'djili, which produces financial operations without a procedure written down in a popularized manual. The objective of a procedures manual is to help the people involved in the life of the organization to respond to situations. It is therefore a reflection of the association's know-how and experience. The procedures manual contributes to the quality and consistency of the services offered by the organization.

In relation to the collection, disbursement, presentation of documents, archiving as security, only the presentation of documents is in the "Good" rating range, because the average observed is 64%. But the rest are in the "Bad" rating bracket.

This poor evaluation is due to the lack of a procedures manual, given its importance for the life of an organization. Organizations today cannot be run without clear procedures adapted to the reality of the field to control and mitigate the intentions of some and others. The manager must, in his way of doing things, seek the rationalization and harmonization of the administrative, financial and accounting management of all the departments by setting up an efficient system for the management and protection of his organization's assets. These aspirations must be set out in a document: "The procedures manual".

Our criticism of the way things are done leads us to believe that the collection, disbursement and archiving of funds in the N'djili HGR do not meet the classic conditions of financial management.

We note that the RGH of N'djili favors cash collection and does not use the bank for payment of services by its patients and its expenses (commitments). This opens up a lot of room for maneuvering to fraud. There are too many financial risks in this system, as the risk analysis tool places the RGH of N'djili as an organization where financial management is subject to very high risks. This conclusion corroborates the analysis of COOPERS et al, cited by Idrissa SOMLARE, who states that the risks related to the procedures for cash receipts and disbursements are the risk of misappropriation of cash receipts or misappropriation through the creation of fictitious expenses: difficulty in ensuring proper cash control; difficulty in exercising sequential control of cash vouchers; risk of misappropriation of significant cash held by the cashier; existence of unregularized cash vouchers, corresponding to disguised loans; risk of misappropriation of client cash receipts and falsification of the client accounts concerned.<sup>1</sup>

He also adds that the organization that uses the cashier instead of the bank to hold funds also increases the risk of undetected cash detour, the risk of collusion between cashiers and controllers, and the risk of falsifying cash reconciliation statements (SOMLARE I., 2010).

Cashiering is the gateway to an organization's funds. The poor functioning of this sector would influence its development. The study demonstrated the flaws in the practice of cash collection, disbursement, archiving and security of funds within the RGH of N'djili.

In addition, the work of cash collection within the HGR of N'djili remains to this day, not digitalized. This type of system poses a serious problem of archiving and securing data. Nothing can be done if the service is not sold to the beneficiary and if the organization does not record cash inflows for its treasury. The issue discovered in the presentation of results on cash receipts is that this service does not allow the financial function of the N'djili RGH to be efficient.

In addition, the personnel assigned to the financial circuit have several deficiencies in financial matters. Their knowledge evaluation shows an average of 21% "Poor". The reasons for this are found in the lack of job descriptions (62% of the staff) and 75% of the financial staff do not recognize that they have the texts governing the way to proceed in financial matters at the RGH of N'djili. Only 38% have their job description.

None of them know any financial management software while 31% have computer skills. The N'djili RGH does not have adequate tools for financial management, nor cost repositories, nor procedure manuals. In addition, none of the respondents acknowledged being trained in fraud risk management or financial management software. It is necessary to understand that working in finance is above all a question of personality. This is why a good sense of observation and analysis is essential. Other essential qualities include rigor, logic and a certain intellectual agility ([www.emlv.fr](http://www.emlv.fr)).

The lack of training or retraining of staff who are supposed to be in charge of cashiering still makes the work difficult, given that the majority of our respondents had a D6 level (bachelor's

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degree), but with an acceptable experience of more than 20 years. The bad routine remains the only way of doing things at the N'djili RGH. In short, the reflection of the optimismo group does not deviate from our criticism. The optimismo group believes that work procedures should describe and reflect the exact way of working in a company. In this respect, the involvement of employees in the description of the procedures that concern them is one of the keys to the success of their subsequent application. However, many public and private institutions find that their employees do not adopt certain procedures. It is indeed regrettable to see that processes and procedures are not used or are not known even though considerable resources have been invested in describing them. Are the descriptions too complicated, difficult to access or outdated? [www.optimiso-group.com](http://www.optimiso-group.com).

This study also has limitations. For example, it is impossible to establish causal relationships between the financial achievements of the N'djili RGH and their degree of use of certain financial management practices. On that note, the reader should be aware that the findings of this research do not constitute certainties or absolute truths. They are simply the result of our journey. The contributions are thus limited by two main elements:

- First, we cannot consider our sample to be representative because we used the convenience sampling technique due to the difficulties in accessing financial information and the availability of staff to comment on how finances are managed in public hospitals in the DRC. We worked with only one hospital (the HGR of N'djili). This does not allow us to generalize our findings to all health facilities in Kinshasa or the DRC.
- Secondly, there is a limitation related to our subjectivity as researchers. We chose to carry out an exploratory research, without precise variables to measure. The researcher had a great deal of freedom of action both in the field and when analyzing the data. This freedom was first apparent in the development of the observation tools. The possibilities of drift, emotional factors, interpretation bias... All these elements constitute limits to our research.

## **Conclusion**

The study we conducted was based on a critical analysis of the effects and impact of the financial function of health organizations in the Democratic Republic of the Congo, based on the N'djili General Reference Hospital. This study used information from 2021.

The main objective of this study was to conduct a critical analysis of compliance with financial management practices and procedures, and fraud risk management in a state-run health organization.

However, the problem was to evaluate the threshold of respect for financial management procedures that would be found at the HGR of N'djili, to propose a judgment on the evaluation of financial procedures and to note the effects in the execution of the financial function of this

hospital as well as its impact on the community.

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After using the necessary methods and techniques, our analyses led us to answer our main question. From there, the critical analyses showed that the financial function of the RGH of N'djili has a profile of agents dominated by the D6 and especially not having mastered the management of fraud risks nor the use of accounting software or financial management at a time when the business world is becoming digitalized, but based more on experience.

In addition, another criticism was made after analyzing the financial achievements and financial practice by showing that the N'djili RGH was not able to mobilize more than it spent because its recovery rate is 99%. The absence of a procedures manual has facilitated non-compliance with financial management procedures, with the possibility of generating several financial risks. Given that financial resources are scarce, its good management must be done in compliance with all standards and in good governance. This will support the development of health structures in our country, the DRC.

However, we are proposing avenues of research to other researchers in this area. We have focused on how to do this with respect to financial management and especially financial risk management. We believe that this is a perspective that deserves to be studied in other public structures to enrich the model for future research.

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