

## Original research papers

### *Evaluation of the impact of the external audit in the work of health public institutions "Cases of the General Hospitals of Reference of Kabondo and Makiso/Kisangani of 2011 and 2014".*

#### SUMMARY

**OBJECTIVES:** This study aims at evaluating the effects of the external audit on the countable and financial management of the General Hospitals of Reference of Makiso/Kisangani and Kabondo.

**METHODS:** We worked with a sample with a reasoned choice. It is about a descriptive study of the retrospective type which we associate the analytical method. The data collected in this study after the examination were transformed into frequency, and then, expressed as a percentage.

**RESULTS:** For the HGR of Makiso/Kisangani, the receipts carried out for the audited period account for 55.56% against 45.44% for the not-audited period, that is to say, a variation of 10.12%. While for the HGR of Kabondo, the receipts carried out for the audited period account for 63.81% against 36.19% for the not-audited period, that is to say, a variation of 27.62%.

**CONCLUSION :** We noticed that for the audited period the medical structures under study presented a performance by profitability, the permanent follow-up of its accountancy which reduces the risks of the frauds and errors as well as the financial haemorrhages, the reliability of financial information due to the self-checking and the credibility of the institution near the external contractors, since it presents a good image.

**KEYWORDS:** Evaluation, Impact, External audit, public Institution of health.

#### I. INTRODUCTION

25 An institution dedicated to the development and the continuity of its activities must  
26 organize well its financial service and its accountancy so as to enable him to draw up a  
27 report/ratio on the good management of its resources and the realization of its activities during  
28 one well defined period.

29 To arrive at rigorous management, the institution must set up the check procedures  
30 internal and external which will guarantee the countable management of very undertaken  
31 personal or member, deprived or public.(Collins L and Coll., 2006)

32 Rigorous management currently interests the financiers, the partners, the managers  
33 who intend to undertake the partnership with the public organizations. The rational management  
34 of very undertaken private and public A like consequence the maximization and the optimization  
35 of the resources placed at its disposal for its development and wellbeing of the population. The  
36 financiers and the managers must focus more their attention on the installation of the  
37 mechanisms of control. Without an effective control, the life of the organization is dedicated to  
38 the failure if not with the disappearance. (Jacques L. and Tytgat, 2001)

39 However, any organization, as of its creation, lays down objectives to be reached,  
40 through its financial resources, material and human. It must optimize its performance and its  
41 development by the installation of the mechanisms of effective and regular control; this is why,  
42 the general hospitals of reference being institutions in social matter enjoying the autonomy of  
43 management in the Democratic Republic of Congo, were seen in the obligation to function like  
44 institutions with lucrative goal to carry out the benefit; for this reason the general hospitals of  
45 reference, for a certain time, decided to raise the percentage of benefit on the cost of purchase of  
46 the drugs, of the reagents of laboratory. They carry on other ordinary activities of self-financing  
47 such as the hiring of the rooms of the meetings, the hiring of the outboard motor boats and the  
48 fast guns, the hiring of the overhead projectors... (Ngobebe S., 2004)

49 In their study on the internal audit in the public administration, specified that the  
50 Ministries for the Social Affairs, the Public Health and the Environment do not comprise service  
51 of the audit. However, an adviser attached to the secretariat-general and also affected with other  
52 tasks punctually carries out missions which are connected with the internal audit. But there is not

53 a charter, its missions remain very limited in a number, and the responsible adviser does not have  
54 training in audit.(Christian De Visscher and Small Laurent, 2002)

55 Okongo Shekinah (2015), in its study, specified that countable financial management  
56 poses many problems with the managers who do not manage to satisfy the financiers, the  
57 partners, the State and the thirds, by their manners of managing; because information relating to  
58 the funds placed at their disposal seems absurd.

59 To perennialize these activities and to thus ensure good the governance and the  
60 credibility of the general hospitals of reference, the managers of these hospitals must adhere to a  
61 system effective and advantageous management of the funds, subsidies that the financiers so  
62 much external that intern place at their disposal and call upon a regular practice of audit on all  
63 the documents of accountancy held by the hospitals, namely the newspaper, the book of  
64 analytical case, the books of receipts by service by combining the efforts to plan, organize,  
65 analyze, decide, act and evaluate together the effects of control in the hospitals. (Shekinah  
66 Okongo, 2015).

67 Vis-a-vis this situation, the result of the public organizations of the State of Tunisia  
68 has credibility as well at the national level as international.(Abdel Wahed Omri, Fhakim and F  
69 Triki, 2009).

70 As for our medical system in Democratic Republic of Congo, its integration would  
71 improve the output of the service.

72 Many deficits are noted in financial management general hospitals reference  
73 Kisangani. We can, as an indication, quote pharmacies of pocket, the sequestration of the  
74 patients by the obligation and the imposition of right of injection, the fraudulent contribution of  
75 the samples to be tested at the laboratory, etc. However, since good of time, two of these General  
76 Hospitals of Reference under examination already were the subject of the external audits, in  
77 particular that organized by Makiso/Kisangani and Kabondo in 2011 by the Belgian Technical  
78 Co-operation. The financial audit in question consists in evaluating the effects of this work of  
79 external control on the behaviour of the book, on the financial health of these public medical  
80 structures.

81 Have regard with what precedes, our concern beats about the bush hereafter:

82 ➤ Which is the impact of the external audit on the accountancy and the financial  
83 management of the general hospitals of reference of Makiso/Kisangani and Kabondo?

84 In a specific way, this study aims at evaluating the effects of the external audit on the  
85 countable and financial management of the General Hospitals of Reference of Makiso/Kisangani  
86 and Kabondo.

87 In comparison with the fundamental question raised in the problems, we supposed  
88 that the external audit would have a positive impact on the accountancy and/or the financial  
89 management of the General Hospitals of Reference of Makiso/Kisangani and Kabondo.

## 90 **II. METHODOLOGY**

### 91 **II.1. Population of study**

92 Compared to our study, the population consists of five General Hospitals of  
93 Reference which account the town of Kisangani.

### 94 **II.2. Sample**

95 It is advantageous for a researcher to work with the whole of the population  
96 concerned with the study. Taking into account the time constraints assigned, of a financial nature  
97 (budget), as well as the availability of the subjects (reports/ratios), we extracted the sample in the  
98 population mother made up of all the General Hospitals of Reference of Kisangani.

99 Concerning this study, they act of a sample with reasoned choice insofar as we drew  
100 in a considered way according to the objectives of our research, it is here two General Hospitals  
101 of Reference which is the General Hospital of Reference of Kabondo and the General Hospital of  
102 Reference of Makiso/Kisangani.

103 These general hospitals of reference were reasonably selected by the fact that they  
104 were audited in 2011 and nonaudited in 2014.

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### 106 **II.3. Data-gathering technical**

107 This study is descriptive of the retrospective type which we associate the analytical  
 108 method. Concerning this study, we used the documentary technique. It enabled us to impregnate  
 109 ourselves realities of the data drawn from the various documents provided by the General  
 110 Hospitals of Reference concerned with our study. Due permission was granted by concerned  
 111 authorities for performing of the study and publication of the same.

#### 112 II.4. Processing data technical

113 The data collected in this study after the examination were transformed into  
 114 frequency, and then, expressed as a percentage by the formula hereafter:

$$115 \quad P \text{ or } \% = \frac{f}{N} \times 100.$$

116

### 117 III. RESULTS

#### 118 III.1.1. Comparison of finances of the General Hospitals of Reference of Kisangani

119 *Table I: Report/ratio of the treasury of the audited year (2011) and the not-audited year (2014)*  
 120 *in Francs congolais of the HGR Makiso/Kisangani*

Periods (in month)	Institution HGR Makiso/Kisangani	HGR Makiso/Kisangani
	Audited Year (2011)	nonaudited Year (2014)
	Amount (in FC)	Amount (in FC)
January	18,504,510	20,157,660
February	25,228,780	17,022,030
March	22,632,260	15,719,110
April	23,423,170	24,077,250
May	22,181,690	16,188,860
June	20,893,100	17,670,885
July	25,611,035	20,634,520
August	12,707,450	24,866,200
September	14,419,450	14,227,000
October	13,875,500	0,00
November	24,867,000	17,643,160
December	22,542,840	17,452,300

<b>TOTAL</b>	<b>246,886,785</b>	<b>205,658,975</b>
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122 Taking into consideration this table, it arises that the receipts carried out by the  
123 General Hospital of Reference of Makiso/Kisangani in 2011, a year during which the external  
124 audit was carried out, are relatively higher than those carried out in 2014, unaudited period.

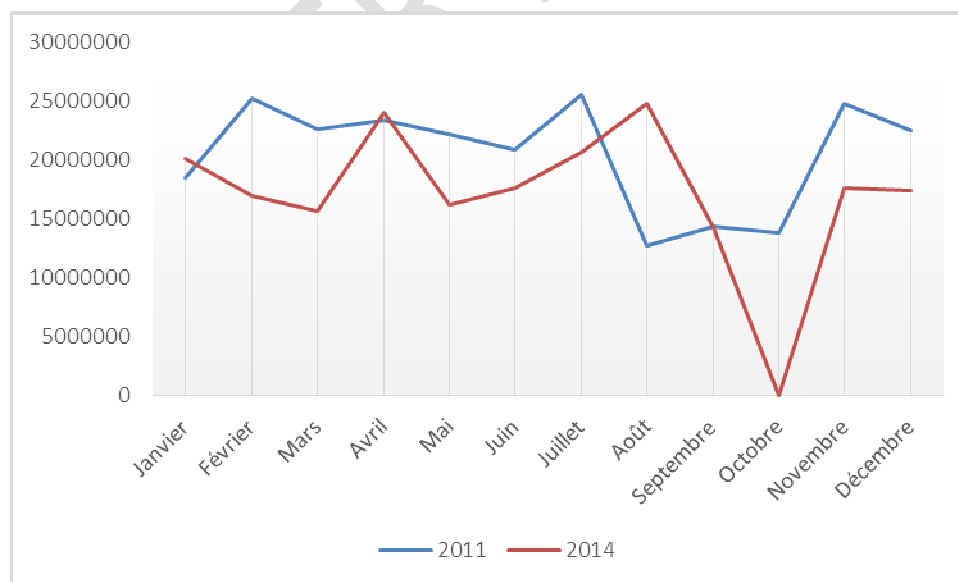
125 But it should be noted that July 2011 is that which knew a high performance in terms  
126 of receipts compared to the other months; with a monthly receipt of 25,611,035 FC against  
127 20,634,520 FC in 2014.

128 Ultimately, from this comparison, a difference of 41,227,810 FC emerges. This  
129 difference shows that the external audit has a positive impact on accountancy and the financial  
130 management in the institutions of health.

131 However, the general total revenues are higher in 2011, the audited year with an  
132 amount of 246,886,785 FC contrary to the unaudited year 2014 whose amount was estimated at  
133 205,658,975 FC.

134 We illustrated in the graph below this difference of the two years receipts audited and  
135 unaudited at the General Hospital of Reference of Makiso/Kisangani:

136 **Figure 1: Receipts of the HGR Makiso/Kisangani, audited year and unaudited year**



137

138 In the figure above, the curves of expenditure in the two years evolve/move in the  
 139 tooth of the saw. But we note however a characteristic in October 2014 when the curve tends  
 140 towards zero, i.e. during this month, the general hospital of reference of Makiso/Kisangani did  
 141 not maximize the receipts.

142 *Table II: Report/ratio of the treasury in Francs Congolais of the audited year (2011) and the*  
 143 *non-audited year (2014) in HGR/Kabondo*

<b>Institution</b>	<b>HGR/Kabondo audited</b>	<b>HGR/Kabondo non-</b>
<b>Year (2011)</b>	<b>Year (2011)</b>	<b>audited Year (2014)</b>
<b>Period (in a month)</b>	<b>Amount (in FC)</b>	<b>Amount (in FC)</b>
January	19,220,609	11,842,760
February	24,766,948	15,927,626
March	39,337,295	15,169,072
April	22,425,304	16,385,475
May	27,874,199	13,488,739
June	37,039,305	15,044,350
July	21,446,649	14,427,062
August	22,878,917	14,893,029
September	23,087,658	14,419,678
October	27,286,861	13,564,915
November	27,681,814	24,253,870
December	29,739,937	13,613,749
<b>TOTAL</b>	<b>322,785,496</b>	<b>183,030,325</b>

144 After comparison of the data of these two periods, we noted that March 2011  
 145 produced more receipts, that is to say rising of 39,337,295 FC contrary with those of March of  
 146 the year 2014; follow-up of those of June of the year 2011 when one still recorded more receipts  
 147 against June of the year 2014; and that December of the year 2011 compared with same  
 148 December in 2014.

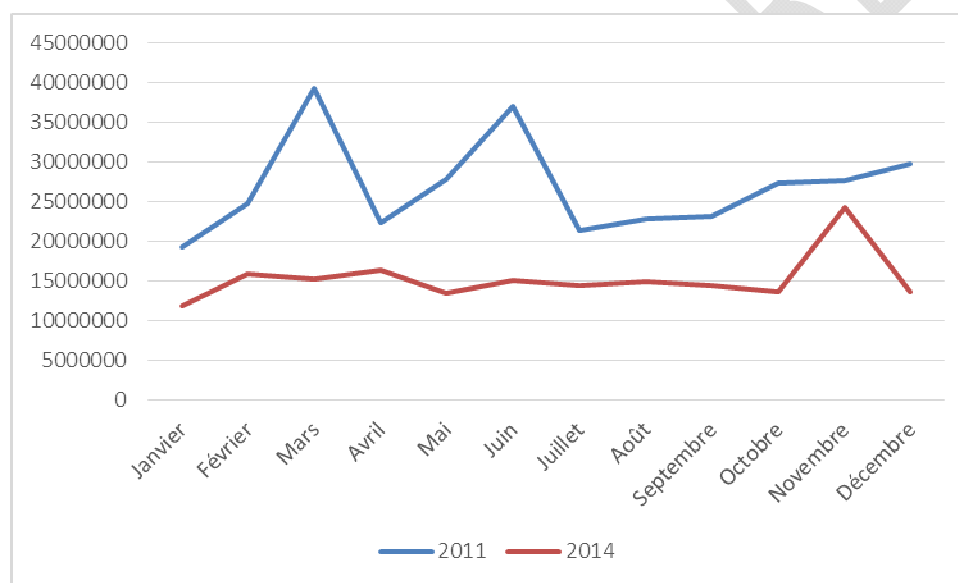
149 In May 2011, the receipts evolved/moved with the rise against May in 2014. In  
 150 November 2011, the same variation was noted against November 2014. , In the same way, the

151 produced receipts, in October 2011, the shift was observed against October 2014. In February  
 152 2011, there was more of the receipts than in February 2014, September 2011 shows to us higher  
 153 profitability against the same month of the year 2014. It is the same for August 2011 opponent  
 154 the achievements lower produced than the same month for the year 2014; as for April 2011, too  
 155 many receipts compared to April 2014, it is also declared in June 2011 opponent that of 2014;  
 156 and finally in January 2011 compared with June 2014.

157 Have regard to all what precedes, we noted that the total revenues are those of the  
 158 year 2011, an audited year with an amount of 322,785,496 FC against 183,030,325 FC of the  
 159 unaudited year. From this comparison a variation from 139,755,171 FC emerges.

160 The figure below facilitates to us the compared reading of the results of our research.

161 **Figure 2: Receipts of HGR/Kabondo, audited year and non-audited year**



162 The data presented in figure 2 show that the receipts recorded by the general hospital  
 163 of reference of Kabondo into 2011 evolve/move in the tooth of the saw. But in 2014, the curve is  
 164 presented in the form of a slope with one shown spectacular at November.  
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169 *Table III: Synthesis of the reports/ratios of the treasury of the HGR of Kabondo and*  
 170 *Makiso/Kisangani in francs congolais*

<b>Audited year and unaudited year</b>	<b>Institutions HGR/Kabondo</b>		<b>HGR Makiso/Kisangani</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
Audited year (2011)	322,785,496	63.81	246,886,785	55.56
Non-audited year (2014)	183,030,325	36.19	205,658,975	45.44
<b>Total</b>	<b>505,815,821</b>	<b>100</b>	<b>452,545,760</b>	<b>100</b>

171

172 With regard to HGR/Kabondo, on a total of 505,815,821 FC for the two years, for  
 173 the audited period, this structure carried out 322,785,496 FC either 63.81% of the receipts  
 174 against 183,030,325 FC or 36.19% for the nonaudited period.

175 By raising the proportion for the two periods with the HGR of Makiso/Kisangani, on  
 176 a total of 452,545,760 FC for the two years, for the audited period, this structure carried out  
 177 246,886,785 FC either 55.56% of the receipts against 205,658,975 FC or 45.44% for the  
 178 nonaudited period.

179 An analysis on the data presented in this table shows that HGR/Kabondo carried out  
 180 during two years of comparison a total receipt of 505,815,821 FC; 322,785,496 FC in 2011  
 181 either 63.81% and 183,030,325 FC in 2014, or 36.19%

182 Within sight of the results of the first two tables of the above-mentioned structures,  
 183 the tendencies of the receipts produced for the two different periods, i.e. 2011 audited year and  
 184 year 2014 not-audited year, inform us that the achievements of the audited period were largely  
 185 higher than the receipts of the unaudited period. This situation would be explained by the  
 186 motivation of the personnel, following the financial support and technique of the Belgian  
 187 Technical Co-operation, a good tariffing which answers the purchasing power of the patients  
 188 with like impact the hyper frequentation, a financial accessibility and finally by the realization of  
 189 a control of performance and one financial audit within the hospital.

#### 190 IV. CONCLUSION

191 This study related to the evaluation of the impact of the external audit in the work of  
192 the health public institutions. Cases of the General Hospitals of Reference of Kabondo and  
193 Makiso/Kisangani of 2011 and 2014.

194 At the end of our study, we ended to the following results:

- 195 1) For the HGR of Makiso/Kisangani, the receipts carried out for the audited period account  
196 for 55.56% against 45.44% for the non-audited period, that is to say, a variation of  
197 10.12%.
- 198 2) For the HGR of Kabondo, the receipts carried out for the audited period account for  
199 63.81% against 36.19% for the non-audited period, that is to say, a variation of 27.62%.

200 This situation would be explained by the fact why for the audited period the medical  
201 structures under study presented a performance due:

- 202 • by its profitability;
  - 203 • with the permanent follow-up of its accountancy which reduces the risks of the frauds  
204 and errors as well as the financial haemorrhages;
  - 205 • by the reliability of financial information due to the self-checking;
  - 206 • by the organization of the financial audit initiated by the backers, is also a  
207 management tool;
  - 208 • by the credibility of the institution near the external contractors, since it presents a  
209 good image;
  - 210 • by a guarantee with the internal and external collaborators, owing to the fact that there  
211 is performance;
  - 212 • by accountancy held well, clear, precise and continuous.
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