

The Contribution of Internal Audit to Credit Management in Financial Institutions in Mali



Abdoulaye Soumaila Moulaye¹, Abdoulaye Maiga², Issa Ballo³, Kalifa Ahmadou Toure⁴, Drissa Kone⁵

^{1,2,3,4,5} Faculty of Economics and Management (FSEG), University of Social Sciences and Management of Bamako (USSGB), University Center for Economic and Social Research (CURES), Mali

ABSTRACT: The ultimate aim of this article is to present the role played by the internal auditor in the performance of decentralized financial systems (SFD). First of all, our reflections are directed towards a more in-depth literature review in order to better define the concepts and apprehend the nature of the binding relationship between internal audit and internal control, then we presented the research methodology followed in this case the qualitative methodology with exploratory aim, We then presented the results of an interview guide with seven auditors and a member of the management committee working in various Moroccan banks, who were of two types: the first considers that information and communication are the conditions for the success of an ICS, while the second emphasizes the importance of respecting the components of internal control. As with any study, our research was limited by the size of our sample, which we felt was limited due to the health crisis, which meant that managers were unavailable to carry out our interviews. The academic interest of this article lies in reinforcing the literature on the subject, while the managerial interest lies in detecting apparent gaps in the ICS to help managers in their decision-making. Our aim is to examine the contribution of internal audit to the effectiveness and efficiency of the internal control system. Our study is based on Moroccan banks. The interest of this report is to explore the ICS of the selected banks.

KEYWORDS: Internal Audit, Internal Control, Performance.

I. INTRODUCTION

A microfinance institution is an organization that provides financial services to people who have little or no access to conventional financial services. It has existed for a long time in various forms, with mechanisms for lending to the poor having existed for millennia in Asia. The financial scandals that have taken place around the world in recent years have called into question the management processes and sustainability of banks in general, and their internal control systems in particular. The environment in which they operate has become extremely turbulent, and companies are faced with the need to improve their risk management processes. In this case, the function involved in understanding significant risks and reassessing them is internal auditing. This function, which is responsible for overseeing the organization's other functions, is an asset to the organization, since it supervises, evaluates and proposes solutions or even corrective actions to reduce the level of risk and reinforce the organization's immunity against them.

We feel it's vital to mention other factors that make the environment in perpetual motion, such as the development of technologies, new customer demands, and new risks that amplify uncertainty in decision-making. At this stage, to reduce the intensity of these factors, it is essential for managers to adopt a good internal control system, with the aim of successfully managing the company and then achieving the objectives set.

Assisting managers in fulfilling their responsibilities to the organization, providing in-depth analyses of the effectiveness of the tasks performed, contributing to the overall activities, and providing valuable advice on the activities supervised; be they administrative, IT, industrial, commercial or social, this sums up the role played by internal auditing in companies, making it a very important function within organizations. (Barbier. E, 1999).

In fact, for the internal audit function to be properly applied, practitioners and even auditors must adhere to a certain number of professional principles and standards, in order to carry out their mission successfully and contribute effectively to the improvement of internal control, and thus the achievement of corporate objectives. In order to overcome the consequences of an economic environment deemed unstable due to the unforeseen appearance of the pandemic, managers are expected to

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ensure the proper implementation of an internal control system, which is deemed essential to the successful organization of the company, and to the management of risks likely to hinder its continuity, including the internal audit function as a tool for steering the internal control system.

However, in most developing economies, only a minority of the population has access to financial services. Most people do not have savings accounts, nor do they take out loans with formal financial institutions. They rarely make withdrawals or deposits in financial institutions. Hence this limited access to financial services in developing countries has become an international concern.

Today, in both rural and urban areas, access to financial services is limited and reserved for the wealthy. Only a minority of the population is salaried, while the majority continue to carry out income-generating activities in the informal sector to meet their needs. One of the major problems they face is access to financing due to a lack of collateral.

However, microfinance practices in Africa are even older, especially those involving the collection of small savings. In countries such as Burkina-Faso, Togo and Cameroon, for example, the first savings and credit cooperatives were set up in the 1960s. These financial inclusion models proved insufficient to curb poverty. But microfinance developed in its modern form in the 1970s in Bangladesh, with Dr Muhammad Yunus, founder of the Grameen Bank and professor of economics at Chittagong University, making his mark. It is to him that we owe the current acceptance of microfinance as a tool for the economic and social development of the underprivileged.

This brilliant Bangladeshi economist used his practical work on investment theory with his students to discover the extreme financial indigence of his fellow bamboo stool manufacturers, who had no way of building up stocks of raw materials. Yet their need for credit is minute: a total of \$27 for 42 farmers who have no access to banks. Having lent them this sum out of his own pocket, he is able to discover how much their business increases, when they can buy the raw material in advance, thus escaping major price fluctuations. In this way, he paved the way for many other experiments around the world.

However, institutions are being created to provide the poor with the means to create their livelihoods and the tools to manage the associated risk. The success of the Grameen Bank, which now counts over 7 million poor Bangladeshis as customers, has been echoed around the world, but in practice, it has proved difficult to copy this experience. In countries where population density is low, it is much more difficult to create the conditions for profitability and local services and businesses. Nevertheless, the Grameen Bank has demonstrated that not only can poor people effectively manage and repay loans, but they can also pay high interest rates, enabling the institution to cover its own costs.

The microfinance sector has become a very important component of the financial architecture of developing countries, particularly in Africa and especially in the West African Economic and Monetary Union (UEMOA). UEMOA countries have implemented texts governing the work of decentralized financial systems in the union, notably the law regulating SFDs, adopted on April 06, 2007 by the Council of Ministers, and the decree implementing the law regulating SFDs, adopted on April 06, 2007 by the Council of Ministers.

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It mobilized more than 58.3 billion CFA francs of national savings and granted more than 70.444 billion CFA francs in loans, and the number of direct jobs created by SFDs represented 2,274 in 2014. At December 31, 2016, Mali had 127 SFDs with deposits of 68.912 billion CFA francs and 92.624 billion in outstanding loans with a customer base of 1042995 in 2016 (CCS/SFD,2017). Despite its economic and social weight, microfinance in Mali has continued to face difficulties that compromise its viability, its financial equilibrium and reduce its capacity to contribute to and reduce poverty in Mali. To correct these dysfunctions, the government has initiated the National Microfinance Development Policy and Action Plan (PNDMF/PA) for 2016 to 2020. This is built around the following strategic axes:

- ✓ Clean up and improve supervision of the microfinance sector;
- ✓ Promote broad and diversified access to financial services and protect customers' interests;
- ✓ Improve the environment and capacities of SFDs and strengthen the promotion and supervision of the microfinance sector.

By 2025, this national microfinance development policy aims to build a professional microfinance sector that contributes effectively to poverty reduction through the services provided by SFDs, and that is integrated into the global financial system. However, this explosion and growing professionalization of the sector has not gone hand in hand with high-quality managers who are fully aware of the ins and outs of the sector. The failure of many SFDs is due to their control environment.

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The main source of dysfunction in these institutions is poor management and weak internal control. This exposes them at some point in their existence to the risk of fraud and error. This is why good control and rigorous monitoring are imperative. SFDs therefore need to develop their own capacity in this area, by setting up an internal audit department to monitor the internal control systems in place.

The credit portfolio, and in particular loans in distress, is the main source of serious problems, which are not always immediately detectable and may even escape the attention of management, sometimes until it's too late to resolve them. Credit plays an important role in the business of SFDs. Poor credit management is the source of many dysfunctions in these establishments, hence the need to evaluate this item. Thus, auditing the management of loans in difficulty is an essential tool for managing the loan portfolio and maintaining the structure's long-term viability.

In fact, the various apparent variables led us to deem it appropriate to raise the following question: "What is the contribution of auditing to the management of loans in distress within SFDs in Mali?"

Based on this problematic, we formulated the following questions, which unpack all the elements to be studied in order to answer it properly:

At what level can we place responsibility for the phenomenon of non-payment within SFDs?

In other words, what are the main causes and consequences of unpaid debts at SFD level?

In this article, we first present the current state of the literature on internal audit and internal control, and the contribution of agency theory to the subject. Next, we set out the research methodology used to address our problem, a study of Moroccan banks to determine the extent to which internal audit contributes to the performance of decentralized financial systems. Finally, we presented the results obtained after administering a semi-directive interview guide.

II. LITERATURE REVIEW

We have devoted this section to the conceptual framework to better define the concepts related to our research topic, present the impact of internal audit on internal control in the literature and finally the contribution of agency theory.

2.1. Definition of concepts

2.1.1. Internal audit

The function of internal auditing is to provide assistance to the management of an organization. It has its origins in the accounting and financial control of companies, and has grown steadily to become a function with an abundant, if not richer, conception, which consists of responding to new requirements deemed to be increasingly complex, in this case; new management methods, intense competition, computerization of tools...etc.". (The Institute of Internal Auditors (IIA), 1999).

An official definition of the concept of "internal audit" was approved on March 21, 2000 by the Board of Directors of the Institut de l'Audit Interne (IFACI), following the translation of the above-mentioned definition adopted by the IIA in 1999. The definition is as follows: "The internal audit function is an activity carried out by its manager in an independent and objective manner, the purpose of which is to ensure the level of control of the company's operations, provide recommendations and contribute to the creation of value within the organization. The purpose of this function is to assess, using a methodical and systemic approach, the processes involved in risk management, internal control and corporate governance, and to provide advice on how to make them more effective".

2.1.2. Internal control

Over the years, the notion of internal control has taken on a number of definitions, depending on the organization concerned. "Internal control rationally organizes the accounting department, with the aim of preventing or uncovering errors or fraud without delay". (B. Fain and V. Faure, 1948). Internal control is a set of safeguards contributing specifically to the control of company management. Its purpose is, on the one hand, to provide assurance in the protection of both assets and the quality of information, and on the other hand, to ensure the proper application of the instructions of the Board of Directors in order to maintain the entity's long-term viability". (Conseil de l'Ordre des Experts Comptables (COEC), 1977).

Internal control is a process based on a mass of methods and procedures adopted within the company to safeguard its assets, control accounting information to ensure its reliability, and promote the efficiency of operations carried out in compliance with policies predefined by management" (The American Institute of Certified Public Accountants (AICPA), 1990).

2.1.3. Internal control system

The internal control system is a system consisting of an organization chart and a set of procedures adopted by an entity's management committee, the aim of which is to ensure the efficiency of all activities and the correct application of its policies, in this case to protect the company's assets, to detect and prevent as many errors and frauds as possible in the financial

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department, to ensure that the records produced by the accounting department are accurate and even exhaustive, and finally to prepare the so-called financial information in Zouhair ZARHLOUL & Sarra MRANI ZENTAR La contribution de l'audit interne dans la performance du système de contrôle interne : case of the Moroccan banking sector. 358 www.ijafame.org ensuring their reliability and timely availability". (International Federation of Accountants (IFAC), 1989).

2.1.4. Performance

In the field of management, performance has always been an ambiguous notion (Zineb Issor, 2017) rarely defined explicitly. The definition of this concept has been studied by a number of researchers since the 1980s (Bouquin, 1986; Bescos et al., 1993; Bourguignon, 1995; Lebas, 1995; Bessire, 1999...) and has recently been mobilized in management literature to assess the implementation of sustainable development strategies in companies (Capron and Quairel, 2005). This approach also promotes the notions of efficiency and effectiveness, which seem to be synonymous with performance, but are sometimes associated with results to be achieved. Consequently, the effectiveness of an internal control system can be assessed using efficiency and effectiveness indicators.

Effectiveness: is the ability to achieve a given result (Pigé, 2008). To be effective, an internal control system must be an important tool for improving a company's ability to achieve its objectives.

2.2. The impact of internal audit on the performance of the internal control system

The link between internal auditing and the ICS can be seen in the fact that a good internal audit can improve the efficiency and effectiveness of the ICS, whereas the absence of internal auditing can automatically deteriorate a good system and make it less effective, or even lead to its failure.

Yaich. M in 2010 states that the absence of internal auditing can, however, lead to ICS inefficiency, which can ultimately result in a deficient ICS. To better understand this, we can use an example to illustrate our point:

At the control level, procedures may be poorly executed because they are poorly designed; at the communication level, procedures may be poorly understood by the parties concerned; and at the control environment level, the importance of procedures may be poorly communicated.

Internal auditors play a key role in steering the ICS, as they are responsible for the ongoing assessment of the various elements of internal control. Internal audit must help the organization maintain an adequate ICS by assessing its effectiveness and efficiency, and encouraging continuous improvement (Ebondo Wa Mandzila, 2006).

An organization's ICS is designed to provide reasonable assurance that the organization's objectives are being achieved. Over time, this system may be affected by changes, e.g. changes in personnel, the introduction of new technologies...etc. The company should therefore update its ICS on the basis of recommendations and advice from the internal auditor, who is therefore responsible for identifying changes likely to affect the ICS, and helping staff to prepare for these changes by providing advice. As part of the fifth component of the internal control system, the chain of control itself includes the internal auditor. Effective internal auditing enhances the efficiency of the internal control system. In other words, the auditor must be convinced that the internal control system is on the right track to achieving the control objectives, i.e. that it is effective (COSO framework).

Schick.P & Lemant. O in 2001 distinguish the objectives of internal auditing by five areas of contribution:

Supporting and advising management: According to Larry Sawyer (the father of participative auditing), internal auditing should be a "problem-solving" partnership between management and the auditor. In other words, the internal auditor must persuade management to make the right decisions for the organization based on the results of his or her audit work.

Supporting change: Technological, economic and other environmental changes force organizations to evolve and adapt to their environment in a sustainable way. To this end, the internal auditor must help all employees to adapt to this new situation to ensure business continuity.

Promote the development of a control culture: Internal control involves all the company's employees. This is why the internal auditor must communicate this culture to all employees and encourage them to exercise restraint. Arguably, the internal auditor is the only person capable of instilling a sense of control within the company.

The auditor will identify areas for improvement: The aim is not to improve everything, but to ensure that the audited area is always in harmony with the external environment and is effectively fulfilling its mission.

Prevent difficulties that could endanger the company: The main objective of the internal auditor is to prevent threats to the company's activities in advance, by strengthening the internal control system.

2.3. Reasons for creating internal audit (agency theory)

In their book, Jensen and Meckling (1976) defined the firm as a contractual relationship (contract node) between management and stakeholders, but their analysis focused on the relationship between shareholders and management. It refers to the

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delegation of the owner's interests to a third party acting in the owner's interest, and is the subject of the same theory. The person who delegates decision-making power to another person is called the principal, while the person who acts on behalf of the principal is called the agent. From this perspective, a contractual relationship is established between the owner, called the principal, and the manager of the company, called the agent. The separation between "ownership" and "management and decision-making" can give rise to two problems:

✓ Divergent interests:

An executive often seeks personal advantages, and especially this search for advantage is amplified when he is geographically distant from shareholders, then, this position can provide opportunities for inappropriate behavior to the detriment of shareholders. These divergent interests can lead to conflict and cost the company dearly, and thus generate costs known as agency costs;

✓ Shareholder control difficulties concerning executives:

In this context, internal audit seems to be the best mechanism for controlling and monitoring the behavior of agents, in the interests of owners.

In recent years, agency theory has emphasized the importance of the internal audit function as a corporate governance mechanism for managing conflicts of interest between principals and agents resulting from information imbalances (information asymmetry).

The role of internal auditing in the company can be assessed at two levels: reducing information asymmetry and managing risk. At the first level, managers (agent) have more information about the company than shareholders (principal), who control the company. The existence of an audit committee gives confidence in the credibility of the information provided by the manager, as it acts as a mediator between the external auditor, the internal auditor and the board of directors. By linking the internal audit function to the audit committee, internal auditors can help reduce information asymmetries in corporate governance.

At another level of risk management, internal audit plays a key role in corporate risk management, notably in the preparation of internal control reports, which are mandatory for listed companies under the Financial Security Act. As such, the internal auditor must inform the management committee of any weaknesses in the ICS or any risks likely to affect the achievement of strategic, operational, regulatory or compliance objectives.

Based on agency theory, we know that internal audit plays a vital role in the company in general, and in internal control in particular, through the reduction of information asymmetry and risk management. We will therefore link ICS performance to these two elements, and in our discussion of the results obtained from the interviewees, we will explain this relationship brought about by agency theory.

III. RESEARCH METHODOLOGY

The question of methodology naturally arises for the researcher, insofar as the scientific process aims to produce objective knowledge of the reality observed. Methodology is not set in stone, but methods come closer together according to the conventions that bind them. These conventions are known, which is why we call them epistemology. Epistemology is the knowledge of science. So, to answer or validate his founded or unfounded suppositions, the researcher can adopt methods specific to his subject. Similarly (Wacheux, 1996) has argued that "the researcher can construct his own methodology or freely opt to determine the one that suits his specific project to the theoretical and empirical object of research, it must meet his objectives and constraints" (Tounés).

Empirical methodology consists in linking the theoretical to the field. This requires a back-and-forth process to arrive at the goal, which is the application of data collection techniques. In empirical work, on the other hand, the researcher is faced with problems that have been solved by adopting a particular epistemological position. The choice depends on the researcher. We will therefore justify our epistemological positioning, as well as our choice of reasoning and methodological device.

Reflecting on the demands of science, it's very difficult at times to make statements about the scientific world. Supported by (Lecourt, 2003), who said "in order to anticipate what of the unknown is likely to be acquired to knowledge, scientific thought must tirelessly take the risk of questioning reality in terms of a possibility whose virtualities it solicits through thought and experimentation. And this questioning fervor is not satisfied with any given answer.

A. Epistemological paradigms and choice of epistemological posture

Epistemology is the study of science and knowledge. It studies the scientific validity of knowledge: "It questions what science is by discussing the nature, method and value of knowledge" (Seville & Perret, 2007). In management science, this translates into

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epistemological questioning of the foundations of management as a science. It raises questions about the nature of science, method and the value of knowledge. Research work is conceived in terms of methods, proposing results aimed at predicting, prescribing, understanding, constructing or explaining. At the outset of a research project, the stakeholder must engage in epistemological reflection to argue the legitimacy and relevance of his research, by asking the following questions:

What is the nature of the knowledge produced? Is it objective, reflecting a reality that exists independently of the researcher? Is it the researcher's interpretation of reality? Is it a construction of reality? This raises questions about the researcher's vision of the social world, the nature of the subject/object relationship, and the nature of the reality the researcher believes he can apprehend. How is scientific knowledge generated? Through a process of explanation? Of understanding? Of construction? This raises the question of the path of knowledge adopted.

What is the value and status of this knowledge? What are the criteria for validating the knowledge produced? The answers to these questions will lead us to the different paradigms known in management science: positivism, interpretativism and constructivism.

The positivist paradigm: if the researcher's aim is to discover laws that apply to actors. It is often presented as the dominant paradigm in organizational science, and claims a realist stance. It is characterized by two principles: ontology (reality is endowed with its own essence) and determinism (reality is subject to universal, immutable laws). In terms of methods, positivism is associated with hypothetico-deductiveness (laws are the result of tested and validated hypotheses) and objectivity (the observer's observation of the real object modifies neither the object nor the observer). Although criticized in Europe, this behaviourist trend is dominant in North America, and has produced important results and opened up new theoretical and empirical avenues. The contributions of institutional and incentive economics, evolutionism and resource economics illustrate some of the recent contributions of this current. The project of positivism is to explain reality, in order to (Madhar, 2016).

The interpretativism paradigm: if the aim is to explain the meaning given by actors to their actions. Interpretativism postulates that the world is made up of interpretations, and that these are constructed through interactions between individuals (Perret & Grod-Seville, 2002). The search for objectivity through method is not enough to understand a situation. According to (Gadamer, 1996), "The entry into play of free decisions, if any, does not interrupt the regularity of the unfolding; on the contrary, it takes its place within the generality and regularity that induction makes possible". Nevertheless, he points out that "any just interpretation must guard against the arbitrariness of ideas of encounters and against the narrowness that derives from imperceptible habits of thought" (p. 287). To interpret is to produce theoretical-empirical diagnoses of situations (Claveau & Tannery, 2002). For constructivism, it's essentially a matter of constructing it (Thiétart & Coll).

The constructivist paradigm: explaining how action is constructed and/or inventing new solutions. The development of knowledge from other knowledge through preconceived ideas. Constructivism is an epistemological position based on the relativity of the notion of truth or reality. Reality is defined by the representation of a subject's experience of reality. As (Morin, 1990) remarks, "subject and object are inseparable, but our way of thinking excludes one through the other". This is the "dialogical" principle, the maintenance of duality within unity. Constructivism is based on subject-object interaction, with research "no longer defined by its object, but by its project" (Moigne, 1995). Constructivist hypotheses are often expressed in methodological terms through the principle of induction (Charreire & Huault, 2002), which consists in bringing together a series of specific observations to arrive at a general conclusion. In summary, we can group the 3 paradigms:

Positivism; Interpretativism and Constructivism.

Epistemological questions

What is the status of knowledge?

Realist hypothesis: the object of knowledge has its own essence

Relativist hypothesis: the essence of the object cannot be attained (moderate constructivism or interpretativism) or does not exist (radical constructivism).

The nature of "reality"

Independence of subject and object

Deterministic hypothesis The world is made up of necessities

Dependence of subject and object

Intentionalist hypotheses

The world is made up of possibilities

How is knowledge generated?

The path to scientific knowledge Discovery

Research formulated in terms of "for what causes"?

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Privileged status of expression
Interpretation
Research formulated in terms of "what motivates the actors"?
Privileged status of understanding
Construction Research formulated in terms of "for what purposes...".
Privileged status of construction.
What is the value of knowledge?
validity criteria
Verifiability
Confirmability
Refutability
Idiography
Empathy "revealing the experience lived by the actors".
Suitability
Teachability

B. The nature of knowledge in different paradigms

The production of any knowledge or new knowledge will always depend on how we perceive or imagine (apprehend) those we are interested in producing. This is the theme of the activity or behavior of a group of living beings or thoughts. It depends on the nature of the subject/object relationship and the nature of the social world. The following paradigms are then derived from the nature of knowledge. They are summarized in the table below.

According to (Marchesneay, 2005), management science knowledge is structured according to 3 contributions:

- ✓ A descriptive contribution (of practices and techniques) - the question of relevance;
- ✓ A contribution in terms of explanation with regard to a diversity of models and theories - question of rigor;
- ✓ A contribution in terms of prescription, if we consider that management sciences belong to the action sciences - the question of impact.
- ✓ In turn, (Lukka & Granlund, 2002) propose to classify the ways in which this actionable knowledge is conceptualized with reference to three research orientations:
- ✓ Consulting research (strong focus on practices, empirical evidence built on case studies and a prescriptive vocation with an emphasis on impact);
- ✓ Basic research (ex-post analysis, quantitative approaches with an explanatory vocation and an emphasis on rigor);
- ✓ And critical research (a mix of the other two, with empirical evidence based on more qualitative, comprehensive studies, with the emphasis on relevance).

Quantitative approaches are characterized by their narrow focus, while qualitative approaches are characterized by their broader, and therefore fuzzier but more comprehensible, focus, neither of which can dispense with rigor (Presqueux & Martinet, 2013).

IV. THE PATH TO KNOWLEDGE ACCORDING TO PARADIGM

The positivist is largely guided by the idea that "knowable reality has a meaning in itself, and that this meaning does not necessarily depend on the personal preferences of the observers who strive to record it in the form of determinations (be they laws, principles, causes, conjectures or theories)" (Le Moigne, 1995). Analytical and positivist research prefers to confine itself to the realized, since it is given, and fragmentable, and from which it believes it can draw regularities, if not laws. At best, it ventures into the realm of potential through extrapolation or trend extension procedures. Constructivism and interpretativism support the same approaches, but the respective difference is that the former involves understanding the meaning that actors give to reality. In the second, the process of understanding is involved in constructing the reality of the actors studied.

4.1. Different criteria for knowledge validity

Criteria of validity vary according to the paradigm in question. They depend on the way in which each paradigm answers the question of the scientificity of knowledge.

- ✓ Positivist posture: scientific and non-scientific knowledge are clearly identified through the application of precise, universal validity criteria.

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- ✓ Constructivist stance: all truths are called into question (scientific, non-scientific and definitions of precise, universal criteria). Constructivism proposes an approach to knowledge in terms of ethical validity, i.e., based on criteria and methods that are open to discussion. These are new models to be validated. Validation involves checking, confirming and refuting knowledge.

According to Karl Popper, refutability means never asserting that a theory is true, but instead asserting that a theory is not true.

- ✓ For constructivism, the criteria for validity are still under discussion.
- ✓ Interpretativist position: from the same direction as the constructivist, this position questions the positivist position (deductive logic and the nature of validity criteria). For them, the criteria of validity are, on the one hand, the character of research and, on the other, the researcher's capacity for empathy.

The authors presented the criterion of adequacy (or suitability) proposed by (Glaserfeld, 1988), and the criterion of Teachability defended by (Le Moigne, 1995). The statement of these criteria does not lead constructivists to impose a single method of knowledge, but enables them to accept and defend a plurality of methods: deductive, analogical, metaphorical....

To respect these criteria, the only method recognized by positivism is that which respects deductive logic as the only logic that provides an objective reproduction of reality, as opposed to inductive logic, which allows us to move from particular observations to general statements.

4.2. Choosing the positivist posture

In the light of our discussion of the various paradigms, we adopt the mainstream positivist posture for our research work. For the positivist position serves to "discover the simple reasons by which observed facts are related to the causes that explain them" (Lapalle, 2012). It involves "putting forward hypotheses that are then tested against the facts" (Rivière, 2009).

In reference to Popper's quotation, the development of theory then comes from the surpassing it allows in relation to the facts from which it originates. An overview of all the research carried out on the mechanisms of governance, have all led to a supposedly positive acceptable result. In our case, however, it's the CG in the governance of industrial companies. Wirtz (2000, p.173) proposed the Positive Agency Theory (PAT), based on the methodological questions raised by Jensen (1983). The latter considers knowledge production to be a sequential and dynamic process. It is interesting to note that empirical reviews (Jensen, Murphy, Hall, Liebman, Lacker...), particularly in the same context of management control and governance, have had a positive impact on the contribution of mechanisms to governance.

It should be added that the researcher's epistemological posture, as a form of reflexivity, is a necessary step, as it helps to establish the validity and legitimacy of research. As our aim in this research is more to verify and explain than to explore and understand, we have placed our research within a positivist paradigm. This paradigm refers to a philosophical system emanating from the body of positive sciences, of which Auguste Comte is the founder. This philosopher particularly uses this expression in opposition to theological philosophy and metaphysical philosophy (Velmuradova, 2017). Positivism characterizes an epistemological attitude linked to the practice of various scientific methods that are both rational and experimental. Positivists admit, however, that reaching the truth and holding a perfect reflection of reality proves utopian and therefore propose to be content with noting that it is necessary to resort to scientific knowledge emphasizing experiments to verify the validity of any research. This constitutes the criteria of positivist scientificity, namely verifiability, confirmability and refutability (Velmuradova, 2017). The main assertions of epistemological positivism can be summed up in the need to stick to facts only as they are stated. By (Grégory, 2000), a positivist paradigm, proceeds to mechanical or biological metaphors. They use a systemic approach that (Bouquin, 1997) describes as "facade", because it is limited to fixed relationships. The metaphor of natural systems serves only as an alibi. In this way, deterministic research coexists with research that only recognizes individuals and assumes that they behave rationally, in search of the optimum. These authors have discovered the link between strategy and structure, but also the problems of technology or environmental uncertainty. Another form of contextual determinism was culture, under the influence of sociologists (Ouchi, 1982); (Hofstede, 1978); (Iribane, 1989)). Then, more formalized frameworks imported from transaction cost economics (Ouchi, 1979) and agency theory (Baima, 1990) explained control systems by the search for efficiency at minimum cost, with the content and measurement of this notion of cost constituting the core of the problem.

We have chosen positivist epistemology because, from our perspective as researchers, it is difficult to access knowledge without resorting to scientific approaches by adopting a well-founded and rigorous method, more specifically that evidence such as statistical studies is needed to understand whether the research hypothesis proves to be correct or false. So, thanks to our choice of this epistemological posture, we can say that our choice of methodological approach will be based on a predominantly quantitative approach. Epistemological debates concerning the development of scientific knowledge require researchers to be

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able to choose the most appropriate methodological approach, depending on the research problem identified and in the light of the epistemological and theoretical foundations underpinning the approach.

From a post-positivist perspective, once the researcher has defined his or her research object, he or she must specify the approach chosen according to the objectives he or she has set (explore, verify, master, etc.). Two classic approaches can be used, depending on the nature of these objectives: induction and deduction. However, pure induction is not considered acceptable in the canons of science (Chalmers, 1982-1987). Depending on the uniqueness or plurality of the objectives pursued and the phase of the process, induction and deduction may alternate (Evrard, Pras, & Roux, 1997). The post-positivist approach considers that reality has an essence of its own. When researchers adopt this posture, they have a truth criterion at their disposal: a theory or model that effectively describes reality is "true". From this perspective, the object of research is essentially an interrogation of facts. The researcher elaborates the object of his research on the basis of inconsistencies between theories and facts, the identification of inadequacies and theoretical inconsistencies that reflect reality. Because the individual's social identity was insufficiently represented by the self or internalization of individual identity, (Zouaghi & Darpy, 2006) propose the concept of "We", which is designed to capture the internalization of individual psyches within the family group.

This reliance on the interactivity of management control tools is justified by the fact that researchers strongly believe in a strong positive correlation between management control systems and company performance. However, no firm conclusion has been reached on the nature of this relationship. The role played by management control in corporate governance has not been fully addressed, nor, to the best of our knowledge, has it been in Mali's industrial companies. As a result, we had the idea of developing a reflection on our dissertation topic. To study the role of management control in governance is to develop, on the basis of these analyses, a tool for the role of management control (the dashboard) in the strategic process and on performance.

"At the risk of oversimplification, the ideal process is to use the definitions of agency, the tautology of cost minimization... and a subset of actual contractual structures to develop propositions about important aspects of the control and implementation environment and technology-in other words, to derive a theory that is consistent with these contracts. If successful, this effort provides a framework that can be manipulated to produce additional positive non-obvious propositions, i.e. hypotheses. The confrontation of these propositions with previously unused or unknown data constitutes a test of the theory. If these data do not substantially agree with the predictions, then the theory is revised or replaced by an alternative, and the process thus continues the scientific process". Management control is a mechanism for improving the governance of large industrial companies. In its mission, it deploys tools, in empirical verifications, the proper implementation of these tools have always parried the difficulties that managers avoided in achieving their objectives.

V. CONCLUSIONS

In conclusion, we have been able to report answers to our research problem, and especially the first research question relating to the contribution of internal audit to ICS effectiveness. In our theoretical framework, we have mobilized agency theory, which in turn explains the reasons for the creation of the internal audit function in companies. It also assumes that internal audit plays a key role in corporate risk management, particularly in the preparation of internal control reports. Schick.P & Lemant. O in their work in 2001 distinguish the objectives of internal auditing into five areas, including risk prevention and the establishment of a control culture within the organization. The first type of auditor confirms this contribution, believing that internal auditing is an important function for the company, since it plays a part in promoting a control culture among staff and preventing difficulties that could have a negative impact on the company. We also drew on the work of Anglade & P.B. Janichon, who state that internal control is considered effective if it meets the criteria for each of the three categories of objectives: operational, financial and compliance. The second type of auditor emphasizes the importance of respecting the components of internal control, especially risk management, which confirms the contribution of agency theory to the subject. The manager stipulated that internal control is said to be effective when senior management and the board reasonably realize that the bank is achieving its operational, reporting and compliance objectives, which confirms the contribution of Anglade & P.B. Janichon's work in 2002.

Broadly speaking, it is worth recalling the main lines of our research and their impact on the reality of banking. To achieve its objectives, a bank needs to control its operations and internal mechanisms. This in turn requires the foundation of a high-performance internal control system, i.e. one that is both effective and efficient. The bank, like any other organization, lives in uncertainty. Although it acquires a wealth of knowledge and maneuvers acquired throughout its immersion in its environment, it is always subject to the unforeseen and to change. The application of new communication and information technologies, the adaptation of strategic decisions and planned objectives in line with changes in the environment, the ever-changing economic situation, social and political issues - these are all elements of uncertainty that can at any moment call into question internal control, which is prone to precariousness. With this in mind, internal auditors need to be alert and reactive, adapting their tools

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to the changing environment. It goes without saying that the establishment of a robust and flexible internal control system serves to maintain and improve the entity's performance. Thus, we can say that the performance of the internal control system relies essentially on a well-founded internal audit function. In order to ensure a successful internal control system, internal auditing must transcend the examination of procedures and their compliance, and expand into other areas. The auditor will be able not only to challenge the existing system, but also to recommend ways of improving the company's strategy. Internal auditors are also increasingly called upon to act as consultants. This will make him or her a true internal consultant who favors a participative approach.

The internal control system is subject to limitations due to a number of factors, which means that internal auditors are obliged to remedy these limitations while identifying shortcomings in its design or implementation. Internal control is said to be effective when it achieves its objectives. Consequently, the internal auditor must ensure that the bank's operations are under control, by evaluating evidence and communicating it to those in charge. We're talking about the collaboration of all bodies - auditors, management and other staff - to establish the best working conditions for everyone: it's a whole chain of control, robust and coherent. Interviews show that internal auditors seem to focus on the effectiveness of ICS, provided that the internal audit function is well established and functions properly. In particular, there is a lack of support from management, internal auditors do not always receive the support they need in terms of information and communication, support to management is nuanced and the place of internal audit is therefore relatively marginalized in overall management. It should be remembered that the strength of the internal audit function depends on the integration and involvement of management. As with any study, our research had certain limitations, which can be summarized as follows; the first limitation was the size of the sample, which we felt was limited due to the health crisis, resulting in the unavailability of managers to properly conduct our interviews, and the second limitation related to the training of the participating auditors, who proved to be insufficiently trained in internal control, making it difficult to gather information. Our research prospects can be summed up in two points: the first is to conduct this subject as part of a quantitative study, so as to be able to understand the different variables in their entirety. The second is to deepen our research in the area of internal control, given the lack of existing information in the field.

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