

Impact of Internal Control Deficiencies on Nonprofit Operational Performance

Internal control deficiencies (ICDs) in nonprofit organizations impact their operations, reporting, and compliance



Researchers investigated how ICDs affect nonprofit operational performance



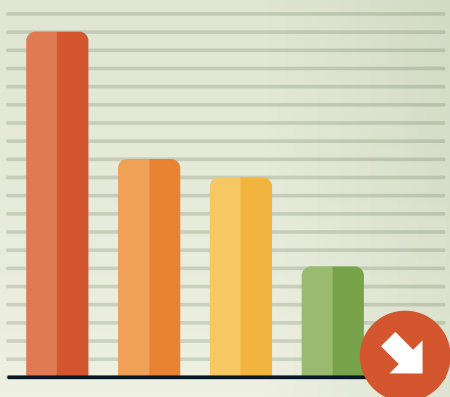
ICDs examined:



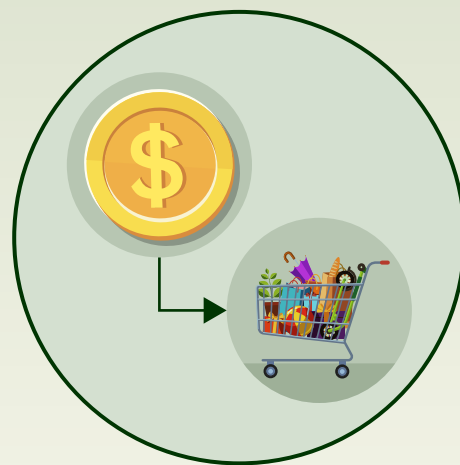
Internal controls over financial reporting (ICFR)



Internal controls over compliance



Poor ICFR or internal controls over compliance negatively impact:



Charitable expense ratio



Surplus revenue

Inadequate ICFR or internal control over compliance significantly impacts a nonprofit organization's capacity to successfully carry out its charitable mission