

THE NEXUS OF INTERNAL FINANCIAL CONTROLS AND OPERATIONAL PERFORMANCE AT GRAIN MOTOR SERVICES

Makamache Wiklef & Chikwature Whatmore

ABSTRACT

The Research investigates the relationship between internal financial controls and operational performance at Grain Motor Services. Data collected was presented qualitatively and quantitatively using tables, and graphs and also descriptive presentations. The target population for the study was mainly comprised of management (10), operational staff (30) and clients (55), the number of customers was drawn from firm's database. The sample comprised clients (55), management (10), and Operational staff (30). In determining the sample size, the researcher used the census method. This approach is to use the entire population as the sample. The interviews and questionnaires were used as data collection tools. The findings also suggested that employee participation on internal financial controls issues is a strong determinant to improved internal controls. This research managed to establish that there is strong correlation between internal controls and organisational financial performance at Grain Motor Services. It is possible for an organization especially business organizations to control its actual performance through the use of well-crafted internal controls. The successful implementation of internal controls is dependent on good enforcement, management support, improved internal policy guidelines and employee participation. Communication methods in most operations at Grain Motor Services should be improved. Many organizations do not have well defined channels of communication and this makes it difficult for employees not to fully understand the rationale of internal financial controls. The research also recommended that the outsourcing strategy on some of Grain Motor Services non-core activities can be a sound strategy to revise the high cost structure of the organisation. Although this is a non-profit making organisation entity, it is critical to have a clear separation of powers such that political creed does not creep into the professional running of the entity. This calls for the need to appoint even the management based on merit

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