

**INTERNAL CONTROL SYSTEMS AND OPERATIONAL PERFORMANCE IN AN
ORGANISATION: A CASE OF MEDICAL TEAMS INTERNATIONAL**

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**UGANDA CHRISTIAN
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DECLARATION

I Kabazarwe Ronah hereby declare that this research report has been produced out of my own effort with the guidance of my supervisor and has never been submitted to any other institution for any award.

Signature.....

Date.....10...../.....04...../.....2026.....

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APPROVAL

This research report has been submitted for examination with my approval as the supervisor.

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DEDICATION

With special regard, I wish to dedicate this piece of work to my parents who have always been there to support me in my education. May the Almighty God richly bless you.

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I would like to thank the Almighty God for the gift of life and guiding me throughout my education; it has not being easy but it was possible. My heartfelt gratitude goes to my supervisor, Kagume Allen for the tireless efforts and expertise she rendered to me during her supervision.

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LIST OF ACRONYMS

COSO: - Committee of Sponsoring Organizations of the Treadway Commission

MTI: - Medical Teams International

NGOs: - Non-Governmental Organizations

SACCOs: - Savings and Credit Cooperative Organizations

SMEs: - Small and Medium Enterprises

SOX: - Sarbanes-Oxley Act

SPSS: - Statistical Package for Social Sciences

USAID: - United States Agency for International Development

ABSTRACT

The study examined the effect of internal control systems on operational performance in an organisation: a case of Medical Teams International (MTI). It specifically focused on; assessing the effectiveness of internal control systems in enhancing operational performance, finding out the types of internal control systems used in trying to enhance operational performance and identifying the challenges encountered in implementation of internal control systems and suggest possible solutions to overcome them.

The study was carried out using a cross-sectional survey research design where quantitative research approach was also used. The data was collected using questionnaires and during data collection, simple random sampling method was used. A sample size of 92 respondents who are employees of Medical Teams International was also used in the study although 80 of these responded to the questionnaires.

The study findings established that internal control systems greatly improve operational performance in Medical Teams International by raising efficiency, timely task completion, resource utilization, risk reduction, and quality of operations. The results also showed that the company uses important internal controls like monitoring and supervision, internal audits, separation of duties, risk assessment, permission procedures, and good communication systems. However, despite the efforts made to address the challenges, it was found out that some issues such as ineffective risk assessment methods, inadequate employee training, unethical considerations and compliance, inadequate management commitment, and insufficient funding and technological capability continued to affect the effectiveness of internal control system.

Lastly, the study concluded that there is a need for enhancing the internal control system through proper monitoring, auditing, and supervision; improvement of risk assessment methods; employee training and capacity development; adequate management support with enough funding, technology, and manpower; and ethical considerations and whistleblowing mechanism.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

This chapter presents the background of the study, statement of the problem, purpose of the study, objectives of the study, research questions, scope of the study, significant of the study and conceptual framework.

1.1 Background of the study

Internal control systems form one of the most fundamental pillars in ensuring accountability, transparency, and efficiency in the operations of organizations across sectors (Abiodun, 2020). This includes mechanisms, procedures, and policies put in place for asset protection, assurance of accuracy in financial reporting, and facilitating operational effectiveness. An effective internal control system assists an organization in minimizing fraud, operational inefficiency, and mismanagement of resources, thereby ensuring better performance (Ajala et al., 2023). Such systems ensure not only reliability in financial reporting but also compliance with regulatory frameworks and ethical standards (Adegboyegun et al., 2020). The COSO framework highlights five key components; control environment, risk assessment, control activities, information and communication, and monitoring-are considered significant in facilitating effective performance and decision-making (Chan et al., 2021). Thus, internal control systems have a critical role in aligning organizational processes with strategic objectives, minimizing risks, and hence guaranteeing sustainable success of operations (Abomaye-Nimenibo et al., 2021).

In the current business environment, operational performance has become the critical barometer of how well organizations use resources to achieve their objectives (Handoyo et al., 2023). Common assessments in relation to operational performance are cost efficiency, service delivery, productivity, and quality management. The underlying linkage between internal control systems and operational performance is derived from how controls can enhance process consistency, accountability, and employee performance (Cempakasari et al., 2023). A good internal control system ensures the optimal allocation of organizational resources, minimizes waste, and conducts its operations in accordance with its strategic plans (Syahputra, 2022). Strong internal controls

ensure a higher level of innovation, better utilization of resources, and improved productivity for the organization (Hoai et al., 2022). Conversely, a weak control environment has been associated with misappropriation of assets, fraud, and reduced operational efficiency (Kim et al., 2022).

Globally, the internal control system has attracted considerable interest due to corporate scandals and the need for accountability in both private and public sectors. The United States has enforced SOX 2002 to regulate corporations with strict internal controls to enhance transparency and reduce fraud cases (Kim et al., 2022). The case is similar in the UK regulatory model where audit committees and internal controls are utilized to ensure effective functioning and adequate corporate governance practices (Boulhaga et al., 2023). German firms that implement robust internal control structures achieve more significant performance and innovation through better risk management and compliance practices (Chan et al., 2021). Asian countries, like China and Vietnam, relate internal control systems to high levels of innovation and operational performance in both public and private institutions (Hoai et al., 2022). Improved internal control practices also enable Indonesian companies to increase the accuracy of their data and make good decisions resulting in enhanced logistics and production efficiency (Syahputra, 2022).

Throughout Africa and Sub-Saharan Africa, the internal control system has been an important instrument in enhancing the institutional performance and service delivery. Different studies have confirmed that effective internal controls enhance performance and efficiency of operations across different sectors, including SMEs and cooperatives, in Nigeria (Ajala et al., 2023). For example, in Ondo State, companies that put in place strict control systems were able to increase levels of accountability and ultimately improve productivity (Adegboyegun et al., 2020). Similarly, in Kenya, public hospitals with effective internal controls exhibited better organizational performance by providing better health services while utilizing their resources (Tuwei & Ondabu, 2022). Conversely, in Ghana and South Africa, internal control mechanisms have been very crucial in reducing fraud while increasing efficiency in the operational performance of public and private sectors (Abomaye-Nimenibo et al., 2021).

In Uganda, for example, internal controls have played a major role in enhancing transparency, accountability, and performance in several sectors, particularly humanitarian and health organizations. For instance, local government entities practicing good internal controls have shown efficient service delivery and resource management (Asiimwe et al., 2021). It was also revealed

that proper internal controls enhance financial management and governance practices in various urban institutions in Uganda (Ndanyi, 2021). More so, humanitarian organizations like MTI Uganda require an effective internal control framework for ensuring efficiency in the use of funds donated procurement transparency, and effective service delivery (Muhwezi et al., 2023). Effective internal controls will help MTI Uganda in its efforts toward accountability, non-wastage of resources, and maintenance of high standards of health service delivery (Kiconco et al., 2022). From this perspective, an investigation of the relationship between internal control systems and operational performance becomes essential in revealing the effect of internal mechanisms on efficiency and sustainability in humanitarian operations (Akankunda et al., 2024).

1.2 Problem statement

Ideally, effective internal control systems should enhance operational performance (Abiodun, 2020). However, at Medical Teams International (MTI) Uganda has been on a declining trend over the years (Asiimwe et al., 2021). Recent internal audit reports (2023) indicate that service delivery efficiency dropped by 21%, while resource utilization efficiency fell by 18%, attributed to procurement delays and budget overruns (Muhwezi et al., 2023). Task completion rates in field programs declined by 15%, with several health outreaches missing their operational targets, while quality management indicators reduced by 20%, mainly due to inadequate supervision and limited compliance with operational procedures (Kiconco et al., 2022). Likewise, the Equity Bank 2023 annual report indicates a reduction in operational efficiency by 14%, a trend indicating poor controls within the sector (Ndanyi, 2021). With this trend remaining consistent, MTI Uganda is likely to waste donor funds and fail to deliver services effectively, resulting in loss of donor trust.

Various stakeholders including the Ministry of Health, USAID, and management of MTI have implemented training programs to boost organizational performance; however, operational inefficiencies and weak controls remain (Muhwezi et al., 2023). Furthermore, previous studies have extensively examined internal controls and financial performance in microfinance institutions (Kabuye et al., 2021), health service delivery in local governments (Asiimwe et al., 2021), and sustainable performance in power companies (Akankunda et al., 2024). However, few studies have focused on how internal control systems influence operational performance within humanitarian organizations such as Medical Teams International, Uganda. This study, therefore, sought to

bridge this research gap by examining the effect of internal control systems on the operational performance in MTI Uganda.

1.3 Purpose of the study

The purpose of this study was to examine the effect of internal control systems on operational performance in an organisation: a case of Medical Teams International (MTI).

1.4 Objectives of the study

- i. To assess the effectiveness of internal control systems in enhancing operational performance in MTI.
- ii. To find out the types of internal control systems used in trying to enhance operational performance in MTI.
- iii. To identify the challenges encountered in implementation of internal control systems and suggest possible solutions to overcome them.

1.5 Research questions

- i. How effective are the internal control systems in enhancing operational performance in MTI?
- ii. What are the types of internal control systems used in trying to enhance operational performance in MTI?
- iii. What are the challenges encountered in implementation of internal control systems and possible solutions to overcome them?

1.6 Scope of the study

1.6.1 Content Scope

The study was specifically limited to; assessing the effectiveness of internal control systems in enhancing operational performance in MTI, finding out the types of internal control systems used in trying to enhance operational performance in MTI, and identifying the challenges encountered in implementation of internal control systems and suggest possible solutions to overcome them.

1.6.2 Time scope

The review of reports and documents spanned five years, starting from the year 2021 to 2025. This time span enabled an in-depth analysis of recent trends and patterns in internal control systems implementation and their resultant impact on operational performance within Ugandan organizations, with special focus on MTI Uganda.

1.6.3 Geographical scope

The study was conducted in Medical Teams International located in Naguru, Katalima Road, Nakawa division, Kampala, Uganda. Medical Teams International was selected because it has recorded fluctuating operational performance for the last couple of years on aspects such as efficiency in service delivery, utilization of resources, task completion rate, and quality management, influenced by weaknesses in the implementation of internal control systems.

1.7 Justification of the study

This study was justified because there was a need to investigate the continued decline in operational performance at MTI Uganda, despite the presence of internal control mechanisms. While previous studies have investigated the relationship between internal control systems and financial performance in microfinance institutions (Kabuye et al., 2021), local governments (Asimwe et al., 2021), and power companies (Akankunda et al., 2024), few studies have focused on how internal control systems influence dimensions of operational performance such as efficiency in service delivery, utilization of resources, task completion rate, and quality management in humanitarian organizations. Therefore, the current research was intended to bridge this research gap by offering empirical proof regarding the correlation between internal control systems and operational performance in MTI Uganda.

1.8 Significance of the study

Management of MTI: The results of this research are crucial for the management of MTI Uganda in the sense that they can use the findings to understand the influence of internal control systems on their performance and hence help them improve aspects of efficiency in service delivery, resource utilization, speed of task accomplishment, and quality management.

Policymakers and donors: This research will help the policymakers and donor agencies such as the Ministry of Health and USAID formulate good governance frameworks to promote the internal control system among the humanitarian organizations.

Managers in Non-Governmental Organizations (NGOs): The research will be helpful to the managers in NGOs as well as other humanitarian organizations in improving their operational performances through effective internal control systems.

Employees and beneficiaries: The research results will be useful to employees as they will know what they need to do in order to have an effective internal control system, while the beneficiaries will feel comfortable knowing that MTI Uganda provides efficient and quality services.

Future researchers/academicians: The study will add to existing literature on internal control systems and operational performance, therefore acting as a foundation for further research in humanitarian organizations and other nonprofit sectors in Uganda and beyond.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter provides a review the scholarly materials put forward by several personalities on the effect of internal control systems on the operational performance as well as critically analyzing the deviations in the explanations to find out the research gap in the study variables. Literature was reviewed objectively by starting with definition of a concept followed by reviewing of objectives. Sources like newspaper articles, magazines, encyclopedia and books related to the study were used.

2.1 Conceptual review

2.1.1 Internal control systems

Internal control systems are generally understood to be organized mechanisms, processes, and policies to protect organizational resources, ensure accurate financial reporting, and enhance operational efficiency. Various scholars have defined internal control systems with varying contexts and emphases. Abiodun (2020) views these as formal processes that protect assets, prevent fraud, and ensure regulatory requirements, whereas Ajala et al. (2023) explain such systems as processes aimed at enhancing performance in SMEs through standardization and accountability of the processes within the organization. Using such reasoning, Adegboyegun et al. (2020) claim that not only do internal controls prevent the misuse of assets but also ensure awareness among staff members about potential risks, which results in efficiency in organizational operations. The different focuses may indicate consensus on the significance of internal control systems in terms of accountability and efficiency despite the difference in conceptualization in organizational settings.

Depending on the efficiency of the internal control systems, numerous aspects have been defined by researchers. According to Hoai et al. (2022), the key elements are a control environment, risk assessment, control activities, information and communication, and monitoring. On the other hand, Abomaye-Nimenibo et al. (2021) highlighted internal auditing, authorization, and segregation of duties as the crucial aspects.

As stated by Onwuchekwa et al. (2024), compliance monitoring and documentation standards are other factors that must be taken into account when evaluating effectiveness. It is clear from the existing debates within the literature that, on one hand, there are those who view the concept of internal controls as something related to procedures and structure, but on the other hand, some perceive it as a behavioral factor associated with ethics and management commitment, among others (Chan et al., 2021; Syahputra, 2022).

There are also empirical studies that discuss the relationship between the elements of internal controls and organizational performance. In this regard, Okafor et al. (2025) state that agricultural cooperatives that have effective control procedures and risk assessment mechanisms achieve operational efficiency. In addition, Cempakasari et al. (2023) assert that organizations with sound control environment and whistleblower systems can manage fraud cases successfully and improve performance. Tuwei and Ondabu (2022) postulate that in public hospitals, the control elements consist of supervision, reporting accuracy, and audit follow-ups that directly impact service delivery outcomes. Similarly, Asiimwe et al. (2021), through a study conducted in Ugandan local governments, revealed that effective internal control practices result in better health service delivery, meaning that such dimensions as ethical values, risk assessment, and control activities are universally applicable but sensitive to contexts. These findings justify the use of these dimensions as measures of internal control systems in organizations such as Medical Teams International Uganda.

2.1.2 Operational performance

Operational performance is generally defined as an organization's competence in carrying out its core activities efficiently and effectively towards the desired outcomes. Scholars have conceptualized this concept somewhat variably depending on organizational context. Hoai et al. (2022) define operational performance as the measurable results of organizational processes such as efficiency, effectiveness, and productivity, while Boulhaga et al. (2023) defined it as the degree to which an organization meets its objectives within the optimal use of resources and minimization of risks. According to Handoyo et al. (2023), operational performance is a multidimensional concept, covering not only the internal efficiency of the organization but also the ability of the organization to adapt to market or environmental uncertainties. Discussions suggest that, although universally, operational performance is identified with efficiency and results, its specific

measurement may vary since it can be focused either on process outcomes, resource use, or organizational adaptability.

Different authors in past years have utilized different perspectives for measuring performance in various industries. In their article, Kim et al. (2022) evaluate performance through the service delivery efficiency, resource usage, and task execution. They believe that such measures clearly represent the effectiveness of organizations. Quality management, compliance with standards, and timeliness in production have been identified as critical dimensions for organizations providing public services by Tuwei and Ondabu (2022). Hoai et al. (2022) argue that innovation intensity and improvements are measures that indicate operational performance in organizations led by transformational leaders. This discussion arises from the point that there are some authors who emphasize the use of quantitative measures of performance and others including quality and innovation among qualitative elements of performance measure. Empirical articles have also demonstrated the significance of evaluating operational performance in various organizations.

According to Boulhaga et al. (2023), firms with sound operational performance are more likely to achieve sustainable results and high levels of stakeholder satisfaction. According to Handoyo et al. (2023), the operational performance of manufacturing firms depends on strict monitoring of efficiency, quality, and optimal use of resources. As Ndanyi (2021) reports, in urban governance organizations in Uganda, there is a direct connection between operational performance and process efficiency, as well as compliance with financial and operational policies. In a similar way, according to Akankunda et al. (2024), in Ugandan energy firms, monitored and evaluated operational actions will positively affect the firm's sustainable performance results. The aforementioned studies confirm the importance of operational performance that demonstrates both the amount of output and its quality, efficiency, and organizational effectiveness.

2.2 Empirical review

2.2.1 Effectiveness of internal control systems in enhancing operational performance

Tuwei and Ondabu (2022), in their study, explored Level-5 public hospitals in Nairobi and noted that the inclusion of internal control elements, such as risk assessment, monitoring, and control activities, improved efficiency in service delivery and minimized the wastage of resources. Ndanyi (2021) explored urban governance in Uganda and also established that financial management and operational efficiency had improved significantly in municipalities that adopted strong internal control systems. Kiconco et al. (2022) confirmed the same in Ugandan SACCOs, where effective internal controls translated into the execution of tasks in a more effective way, minimizing losses and optimizing operational workflows. These studies therefore show that the effectiveness of the internal control system is crucial in both public and private organizations in order to realize operational excellence.

Abiodun (2020) conducted a study to find how internal control systems would help improve the performance of firms. According to him, firms that had proper internal control systems made sure that there were no operational inefficiencies, low instances of fraud, and proper allocation of resources by managers. Likewise, Ajala et al. (2023) conducted a study about Nigerian small medium enterprises, finding out that internal control techniques such as authorization, risk assessment, and monitoring helped improve the performance of SMEs, which was characterized by increased accountability and decreased errors. In addition, Adegboyegun et al. (2020) suggested that internal control techniques in small medium enterprises led to increased performance through high productivity and operational stability.

Internal audit control improves operational efficiency in terms of service delivery and adherence to normal work processes in an organization, according to Abomaye-Nimenibo et al. (2021), who conducted a study in a transportation company. In addition, Onwuchekwa et al. (2024) conducted research in supermarkets operating in Nigeria and found out that there was improvement in business efficiency due to control processes such as separation of responsibilities and regular checks, hence eliminating any possible hindrances in the organization's operations. According to Hoai et al. (2022), transformational leadership combined with internal control enhances the impact of internal control on operational efficiency by fostering innovation.

According to Okafor et al. (2025), agricultural cooperatives operating within Anambra State, Nigeria, were found to have experienced significant improvements in their operations in relation to performance due to effective internal control systems. The researchers noted that efficient internal controls led to efficient operations as a result of efficient inventory management, accurate accounting information, and timely decision-making. Boulhaga et al. (2023) echoed similar findings, noting that firms whose internal control systems are efficient and highly ethical were bound to record efficient operational performances. According to Kim et al. (2022), firms with inefficient internal control systems were likely to incur inefficiencies in their operations as well as high costs associated with delayed outputs. It is clear that internal control effectiveness determines operational efficiency and effectiveness.

The research conducted by Muhwezi et al. (2023) examined humanitarian organizations and discovered that the adoption of effective procurement internal controls, procedure standardization, and data integration positively contributed to the operational performance, including timely deliveries and efficient utilization of resources. The study carried out by Akankunda et al. (2024) established that the management control system acted as a mediator in the connection between the internal control system and the operational results for power generation companies in Uganda and confirmed that a strong internal control system contributes to productive and sustainable performance. Handoyo et al. (2023) reinforced the assertion that in highly dynamic and unpredictable settings, strategic organizations that adopt the internal control system have experienced superior operational performance in line with organizational objectives.

2.2.2 Internal control systems and operational performance

In his research, Abiodun (2020) examined the association between internal control systems and company performance and discovered that effective internal control systems greatly increase efficiency within company operations owing to the minimized occurrence of errors and fraudulent activities. In addition, Ajala et al. (2023) studied small-to-medium enterprises in Nigeria and revealed the presence of a significant positive correlation between the well-designed internal control system and organizational performance. The researchers pointed out that appropriate monitoring and control systems contribute greatly to higher organizational efficiency and profitability. It is in line with the findings reported by Adegboyegun et al. (2020), who indicated that firms with effective control systems and adequate risk management procedures had relatively

fewer instances of disruption and better service delivery. Thus, it can be concluded that the internal control system plays a crucial role in increasing operational efficiency in various organizational environments. It is evident that ineffective control systems may result in substantial decreases in efficiency and productivity (Hoai et al., 2022).

Abomaye-Nimenibo et al. (2021) investigated how transportation companies operated efficiently and found out that the use of audit-related internal controls had a positive effect on task execution and service delivery. In a similar vein, an investigation by Onwuchekwa et al. (2024) conducted into supermarkets in Anambra State indicated that the implementation of systematic authorization systems and segregation of duties led to better resource management and fewer operational problems. Further research by Hoai et al. (2022) indicated that organizations that embraced systematic internal controls were capable of mitigating operational risks effectively and thus achieved greater performance results. This implies that systematic internal controls safeguard the organization's resources and promote effective operations, which result in higher efficiency levels within the organization (Chan et al., 2021).

Okafor et al. (2025) studied agriculture cooperative organizations in Nigeria and found out that organizations with adequate internal control systems exhibited good operational performance. Specifically, organizations with adequate internal control systems performed better in terms of resource utilization and quality management processes. This view has been reinforced by Boulhaga et al. (2023), who argued that the quality of internal control systems, when conducted ethically and monitored, acted as moderators and contributed towards the enhancement of operational outcomes while mitigating inefficiencies. Additionally, Kim et al. (2022) showed that inadequate internal control systems- such as failure to adequately segregate duties-resulted in greater cost inefficiencies and poor task completions. In essence, therefore, all these pieces of evidence have shown that robust internal control systems are critical for organizations that seek good operational performance.

Tuwei and Ondabu (2022) conducted a study on public hospitals in Nairobi. The results indicated that hospitals that exhibited proper integration of internal control components such as risk assessment and control activities experienced efficient operations and provision of services. These assertions were corroborated by Ndanyi (2021), who examined the role of internal controls in urban governance in Uganda, revealing that internal controls contributed to the efficient

functioning of financial management processes and operations in public institutions. Furthermore, Kiconco et al. (2022) observed that SACCOs in Uganda characterized by strong internal controls exhibited greater task accomplishment, effective utilization of resources, and better service delivery standards.

Muhwezi et al. (2023) discussed the topic of humanitarian organizations and observed that through the adoption of internal controls and standardization of process, operational performance was significantly enhanced in areas such as task completion within time frames and resource utilization efficiency. Akankunda et al. (2024) similarly identified management control systems as a mediator between internal controls and sustainable performance in Ugandan electricity corporations, with Handoyo et al. (2023) further asserting that organizations working in an environment characterized by competition and uncertainty benefited from the alignment of internal controls with the organizational processes. All these findings collectively emphasize the fact that operational performance is heavily influenced by internal control systems and, therefore, cannot do without them.

2.2.3 Types of internal control systems used in organizations

Control environment: It has been established in many researches that control environment plays a crucial role as the backbone of the internal control system due to its impact on organization's culture, ethics, and managerial commitment towards improvement in performance (Tuwei & Ondabu, 2022). According to many authors, the establishment of a good control environment leads to improved performance of organizations through enhanced accountability and efficiency (Adegboyegun et al., 2020). According to Ajala et al. (2023), leaders' ethics and proper governance lead to improved efficiency and productivity among employees working in SMEs. In a similar way, Asiimwe et al. (2021) also believe that the commitment of managers towards ethical behavior improves service delivery. Ndanyi (2021) adds that the implementation of proper supervisory controls and proper authorities helps improve the efficiency of financial management in urban settings.

Risk assessment controls: Controls for risk assessment include identifying and assessing possible threats that could affect the performance of an organization (Chan et al., 2021). According to Abiodun (2020), organizations that engage in risk assessment are more capable of avoiding losses

and improving efficiency. Hoai et al. (2022) state that the process of systematic risk assessment has a positive effect on innovation intensity and organizational performance within public sector organizations. Onwuchekwa et al. (2024) stress that supermarkets that have strong risk assessment strategies perform better in terms of efficiency and uncertainty avoidance. Kim et al. (2022) observed that poor internal control, especially in risk assessment, is likely to cause inefficient costs and unstable operations. Okafor et al. (2025) assert that agricultural cooperatives that use systematic risk assessment as part of their control processes attain high organizational performance.

Control activities: Control activities are measures put in place by organizations to guarantee effectiveness through authorization, segregation of duties, and verifications (Adegboyegun et al., 2020). According to Abomaye-Nimenibo et al. (2021), structured control activities lead to increased operational efficiency within transport firms. Ajala et al. (2023) claim that proper implementation of control procedures leads to decreased instances of fraud and enhanced productivity within SMEs. Additionally, Cempakasari et al. (2023) state that robust internal control activities are essential in ensuring the effectiveness of the organization by preventing fraud and promoting sustainable performances. In the same line, Kiconco et al. (2022) point out the positive impact of segregation of duties and proper authorization on the performances of SACCOs in Uganda. Lastly, according to Akankunda et al. (2024), management control systems improve human capital and organizational performance.

Information and communication controls: Controls relating to information and communication guarantee that appropriate information is transmitted throughout the organization, allowing the flow of timely and relevant information (Syahputra, 2022). According to Muhwezi et al. (2023), an integrated system of information and procedures plays a vital role in enhancing the procurement process in humanitarian organizations. Hoai et al. (2022) pointed out that clear communication channels contribute to better coordination and innovative results in public organizations. Ndanyi (2021) explains that accurate and efficient accounting systems help foster good governance and accountability. Boulhaga et al. (2023) explain that quality internal control systems lead to improved ESG reporting systems, which, in turn, positively influence firm performance. Asimwe et al. (2021) also believe that communication systems are crucial for improving health services performance.

Monitoring and internal audit controls: The control monitoring process is a continuous process whereby internal control effectiveness is measured via the supervision function and the internal audit process (Abiodun, 2020). According to Abomaye-Nimenibo et al. (2021), internal audit systems are vital tools for increasing operational efficiency since they reveal any shortcomings in the control process. Kim et al. (2022) further suggest that enterprises with efficient control monitoring processes exhibit cost management stability and better operational efficiencies. Onwuchekwa et al. (2024) also note that regular supervision and control monitoring lead to enhanced operational efficiencies within retail operations. Additionally, according to Tuwei and Ondabu (2022), control monitoring processes consistently strengthen service delivery efficiencies within public hospitals.

2.2.4 Challenges and solutions in implementing internal control systems

Inadequate management commitment: This has been identified as one of the main challenges that can be attributed to difficulties in implementing internal controls, since poor commitment towards the implementation process will undermine the enforcement of a control policy and procedure (Ajala et al., 2023). As Hoai et al. (2022) state, where top-level management is inactive in the supervision of internal controls, it is evident that staff will display negligence regarding adherence to internal controls, resulting in inefficiencies. In a similar manner, Abomaye-Nimenibo et al. (2021) argue that this will contribute to low accountability and will also increase the probability of making mistakes and committing fraud. In a study conducted by Kiconco et al. (2022), where insufficient management commitment was observed, it was found that the practice of internal controls was poor among Ugandan SACCOs. The suggested solution in this case would be a clear manifestation of commitment from management by being actively involved in control processes, enacting policies, and allocating sufficient resources for internal controls (Ajala et al., 2023).

Complexity of control procedures: The complexity of the control procedure is also another challenge to effectiveness in implementation, as employees are often unable or barely understand and comply with complex and bureaucratic control procedures (Onwuchekwa et al., 2024). Kim et al. (2022) reiterated that complex approval hierarchies impede the execution of tasks and organizational efficiency. Tuwei and Ondabu (2022) add that public hospitals in Nairobi encounter extremely burdensome internal controls in the documentation and reporting process.

Ndanyi (2021) reiterates that when the controls are perceived as complex, then employees use ways to avoid following the procedures, which increases the chances of error. In this regard, scholars propose the simplification of procedures and provision of guidelines towards training of employees to understand and adhere to internal control systems (Onwuchekwa et al., 2024).

Poor risk assessment practices: Another major challenge that inhibits the organization from correctly identifying, assessing, and mitigating potential threats is related to poor risk assessment (Abiodun, 2020). According to Hoai et al. (2022), without a systematic approach in risk assessment, organizations fail in anticipating operational risks and, thus, record poor performance outcomes. Muhwezi et al. (2023) observe that the failure to conduct risk assessment in humanitarian organizations has contributed to inefficiency and wastage of resources. Akankunda et al. (2024) further establish that poor risk identification reduces the effectiveness of monitoring and corrective actions. In this regard, some scholars suggest that to overcome this challenge, regular, structured risk assessments and integration of risk management into internal control processes are necessary (Abiodun, 2020).

Weak ethical and fraud prevention culture: Poor ethical values and weak mechanisms of fraud prevention hinder the establishment of effective internal controls (Cempakasari et al., 2023). According to Handoyo et al. (2023), internal controls are easily bypassed in those organizations where employees lack ethical awareness, thus leading to losses and inefficiencies within the entity's operations. According to Syahputra (2022), the inability of an organization to establish a good whistleblower system increases fraud risks and decreases the effectiveness of control systems. In relation to that, Boulhaga et al. (2023) indicate that in the absence of a strong moral culture, the performance of operations deteriorates due to misappropriation and poor compliance. The proposed solution includes developing an ethical organizational culture, establishing strong mechanisms for whistle-blowing and training staff in integrity and compliance (Cempakasari et al., 2023).

Limited resources and capacity constraints: The lack of sufficient financial, human, and technological resources impedes the effective implementation of the internal control system (Abomaye-Nimenibo et al., 2021). According to Onwuchekwa et al. (2024), inadequate staffing and a lack of technical know-how compromise the ability of an organization to monitor, enforce, and update internal controls. Ndanyi (2021) further noted that in urban governance institutions

in Uganda, strained budgets translate into outdated control systems and delayed audits. Hoai et al. (2022) reinforce that resource limitations decrease the frequency and quality of internal control reviews, which eventually harm operational results. According to scholars, there is a need for prudent investment in capacity building, qualified personnel, and technology to improve the effectiveness of internal control systems (Abomaye-Nimenibo et al., 2021).

2.3 Summary of literature review and literature gaps

Despite these, there are still a number of knowledge gaps that exist despite the years of research that have shown the positive impact that internal control systems have on operational performance in different organizational settings. Research efforts have concentrated on private enterprises, SMEs, public hospitals, and cooperatives, hence neglecting the non-governmental and humanitarian organizations in Uganda. Although there is extensive literature on the impact of internal control on efficiency and effectiveness, there is not much knowledge on how context affects the functioning of internal control. Contextual variables that include culture, management commitment, and resource limitations have been understudied in their relationship with internal control on performance. Moreover, little empirical data exists regarding the role of ethics in complementing fraud deterrence strategies in internal control mechanisms, which are resource-constrained and complex processes. Second, the duration for achieving sustainable results from internal control interventions is under-researched.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter gives the methodology used in the present study, with a detailed explanation of procedures and strategies employed for data collection and analysis. It declares the research design, the study area, the population under focus, sampling techniques, and sample size. It also clarifies the data collection method, data processing and analysis methods, and the steps taken to ensure data quality and reliability. The chapter further discusses limitations of the study and ethical concerns observed while carrying out the research.

3.1 Research design and approach

A research design provides a systematic plan for collection and analysis of data, whereby the study can tackle its goals in the right way with little prejudice (Wang & Cheng, 2020). This study employed a cross-sectional survey design where data are gathered once from selected respondents. This approach was suitable for examining the link between internal control systems and operational performance in Medical Teams International (MTI) to enable the use of descriptive and inferential statistics such as correlation and regression to develop connections while being economical in terms of time, cost, and resources (Kazdin, 2021). On the other hand, the study also employed the use of quantitative research approach. Quantitative data was collected through structured questionnaires filled by the employees from the different departments in MTI on internal control systems and operational performance (Spector, 2019).

3.2 Study area

This study was conducted in Medical Teams International located in Naguru, Katalima Road, Nakawa division, Kampala, Uganda. Medical Teams International was selected because it has recorded fluctuating operational performance for the last couple of years on aspects such as efficiency in service delivery, utilization of resources, task completion rate, and quality management, influenced by weaknesses in the implementation of internal control systems.

3.3 Study population

A study population encompasses the entire group of individuals or entities pertinent to a research question, from which a sample is, selected (Schoch, 2020). According to the Human Resource Office Records of MTI (2025), the company has over 120 permanent employees working in the different departments which included; Fleet and Logistics department, Emergency Preparedness and Response department, Clinical and Public Health Services department, Mental Health and Psychosocial Support department, and Community Health and Education department and these were included in the study as the target population.

3.4 Sample size and selection

Sample size, as defined by Katamba & Nsubuga (2014), is the part or subset of the entire population. The following formula developed by Taro Yamane in 1970 was used to calculate the sample size:

$$n = \frac{N}{1 + N(e)^2}$$

“n” is sample size, “N” is population, “e” is error (0.05) or level of confidence 95%

“N” (population) = 120 employees of Medical Teams International

$$n = \frac{120}{1 + 120(0.05)^2}$$

$$n = \frac{120}{1 + 120(0.0025)}$$

$$n = \frac{120}{1 + (0.3)}$$

$$n = \frac{120}{1.3}$$

n = 92 selected employees from the different departments in MTI.

Therefore from the table above, the sample size was 92 respondents got from a total population of 120 employees from the different departments in MTI.

3.5 Sampling methods

This study used simple random sampling in the selection of respondents. Simple random sampling was carried out for employees who fall under the various departments like Fleet and Logistics, Emergency Preparedness and Response, Clinical and Public Health Services, Mental Health and Psychosocial Support, and Community Health and Education. The researcher got a list of all employees from the Human Resource Office, updating it to the current date, and selected a random representative sample where every employee had an equal chance of being picked. This form of selection reduces selective bias and enhances representation in this research, where findings can reflect the view of the grassroots staff that engage in operational and control activities within MTI.

3.6 Sources of data

Primary data: The primary data collection involved gathering data directly from the sources of interest to guarantee accuracy and relevance to the objectives of the research study. The structured questionnaire was administered to employees working in the selected departments by the researcher. This will provide firsthand data about the internal controls and operations performance of the firm.

Secondary data: The secondary data was collected from already available sources that were relevant to the internal control system and performance management. The sources of secondary data included academic journals, organizational documents, policies, industry literature, and previous research papers. The secondary data served as the context for understanding the results of the primary data analysis.

3.7 Data collection method and instrument

3.7.1 Questionnaires

In this research, the structured questionnaire with close-ended questions and predetermined responses was employed. Thus, the participants provided their opinion regarding the internal control system and its impact on operational efficiency. Limiting the choice to predetermined responses ensures uniformity and minimizes confounding factors. The survey form was structured according to the research variables, including control environment, risk assessment, control activities, communication, monitoring, and operational performance. The Likert scale from 5

(Strongly Agree) to 1 (Strongly Disagree) was used to elicit responses for further statistical analysis. The survey form was provided to the chosen group of employees upon obtaining their consent.

3.8 Data collection procedure

After receiving a letter of recommendation and introduction from Uganda Christian University, in order to deliver questionnaire guidelines, the researcher then asked for permission from the management of MTI to carry out research with the various respondents. After permission was granted, she approached the various respondents to collect data from them with their consent.

3.9 Data Analysis

3.9.1 Analysis of quantitative data

Quantitative data from the structured questionnaires were coded, entered, and analyzed using SPSS version 20. Descriptive statistics were calculated for each study variable by summarizing patterns and trends in responses into frequencies, percentages, means, and standard deviations. Aggregate responses on the five-point Likert scale was combined, such that "Strongly Agree" and "Agree" become "Agree," while "Strongly Disagree" and "Disagree" are combined as "Disagree," to simplify interpretation of the results. Pearson's correlation coefficient was used in testing the strength and direction of association between internal control systems and operational performance at 95% and 99% levels of confidence. A positive value of the correlation coefficient indicated a direct relationship, while a negative value implied an inverse association. Further, multiple regression analysis, including ANOVA statistics, adjusted R^2 , beta coefficients, t-values, and significance levels, were conducted in establishing the extent to which internal control system components explain variations in operational performance outcomes (Jopling, 2019).

3.10 Ethical Considerations

Ethical principles steer research in order to ensure participants are treated fairly and with respect (Pietilä et al., 2020). In this study, informed consent was obtained from all the respondents following an adequate explanation of the purpose, procedures, and their rights, including the right

to withdraw at any time without penalty. Voluntariness in participation and not using force was ensured. Confidentiality and anonymity was ensured strictly by removing personal identifiers and keeping data in secure storage, such that responses are utilized solely for purposes of research and participants' identities were protected throughout the study.

Furthermore, the research adhered to the principles of non-maleficence and beneficence. Steps were taken to ensure any emotional or psychological upset is kept to the bare minimum by making procedures and questions suitable and sensitive for participants' experiences. The study aimed to make meaningful contributions in terms of understanding the impact of internal controls on performance operations at MTI, which will not only be helpful for the organization itself but also for academia by adding value to future systems in operations performance.

3.11 Limitations of the study

The study did recognize some limitations which could affect the process of conducting the research or the generalization of results obtained from the study.

The time factor was a constraint because there was a set time for conducting the research activities, analyzing the results, and writing down the findings. To overcome the problem, the researcher prepared a research schedule that ensured there was enough time allocated to each research activity.

Besides, the amount of money available at the time also acted as a barrier in collecting all the expenses related to gathering the information. The researcher planned well to make sure that there would be enough funds during the entire process.

Last but not least, the availability of information was another constraint. Some of the respondents failed to provide sufficient answers. To overcome this problem, the researcher used various means to remind and engage them.

CHAPTER FOUR

DATA PRESENTATION AND INTERPRETATION OF FINDINGS

4.0 Introduction

This chapter presents and discusses the results of analysis that has been done to look at the specific objectives of the study and in relation to the reviewed literature. The study was carried out using questionnaires with the employees of Medical Teams International (MTI). The findings are presented with the help of tables for purposes of clarity and interpretation.

4.1 Response rate

Table 1: Response rate for questionnaires

Response Rate	Sample Size	
	Frequency	Percentage (%)
Received	80	87.0%
Non Response	12	13.0%
Expected Response	92	100.0%

Source: *Primary data*

According to table 1 above a total of 100 (100%) respondents who are employees of Medical Teams International were expected to respond to the questionnaires, however, 80 (87.0%) responded to the questionnaires leaving out 12 (13.0%). According to Ahuja (2009), a response rate of 70% is excellent, 60% is good and 50% is adequate for analysis. Thus the response rate of 87% was considered reliable and appropriate for the study.

4.2 Findings on demographic characteristics of respondents

This section presents the general background information about the respondents in relation to their gender, age, education level and period spent working with Medical Teams International (MTI) as shown in the table below;

Table 2: Background Information about the respondents

Item	Description	Frequency	Percentage (%)
Gender	Male	47	58.7
	Female	33	41.3
	Total	80	100.0
Age bracket	21-30 years	38	47.5
	31-40 years	30	37.5
	41-50 years	12	15.0
	Total	80	100.0
Level of education	Bachelor's degree	38	47.5
	Master's degree	15	18.8
	Others	27	33.7
	Total	80	100.0
Period spent working with MTI	1-5 years	32	40.0
	6-10 years	37	46.3
	Above 10 years	11	13.7
	Total	80	100.0

Source: *Primary data*

The findings in Table 2 indicate that the majority of the respondents were male, representing 58.7% of the total respondents, while 41.3% were female. This implies that males formed the larger proportion of employees who participated in the study compared to females. The distribution however shows that both male and female employees were represented in the study, suggesting that the responses obtained reflected perspectives from both genders working in Medical Teams International.

Furthermore, the results showed that the largest proportion of respondents was aged 21–30 years, accounting for 47.5% of the respondents. This was followed by those aged 31–40 years who constituted 37.5% of the respondents. The least represented age group was 41–50 years, which accounted for 15.0% of the respondents. These findings suggest that the majority of employees in the organization are relatively young, with most of them falling within the early and mid-career age categories.

In addition, regarding education level, the findings reveal that the largest proportion of respondents held a Bachelor's degree, representing 47.5% of the total respondents. This was followed by respondents categorized under other qualifications, who accounted for 33.7%. The smallest proportion of respondents was those with a Master's degree, representing 18.8% of the respondents. This indicates that most employees in Medical Teams International possess undergraduate qualifications, while smaller proportion has advanced postgraduate education which implies that they were knowledgeable.

Lastly, the findings established that the majority of respondents had spent 6–10 years working with MTI, representing 46.3% of the respondents. This was followed by respondents who had worked with the organization for 1–5 years, accounting for 40.0%. The least proportion of respondents was those who had worked with MTI for above 10 years, representing 13.7%. From this analysis, it can be seen that the majority of the people had moderate experience at work, which means that they were conversant with the internal control systems of Medical Teams International.

4.3 Effectiveness of internal control systems in enhancing operational performance

Table 3 below highlights respondents' views on how internal controls contribute to the effectiveness of operations within MTI through use of a Likert Scale in which SA=Strongly Agree, A=Agree, NS=Not Sure, D=Disagree and SD=Strongly Disagree.

Table 3: Effectiveness of internal control systems in enhancing operational performance

Statements	Extent of agreement and disagreement				
	SA	A	NS	D	SD
	Freq. (%)	Freq. (%)	Freq. (%)	Freq. (%)	Freq. (%)
Internal control systems at MTI are effective in improving operational efficiency.	42 52.5%	24 30.0%	00	10 12.5%	4 5.0%
Control activities at MTI ensure tasks are completed on time.	23 28.8%	35 43.7%	6 7.5%	11 13.7%	5 6.3%
Internal controls help MTI utilize resources efficiently.	19 23.7%	38 47.5%	7 8.8%	15 18.7%	1 1.3%
Risk mitigation strategies effectively prevent operational losses.	21 26.3%	34 42.5%	5 6.3%	20 25.0%	00
Management commitment to internal controls enhances departmental performance.	23 28.8%	35 43.7%	10 12.5%	12 15.0%	00
Internal control systems contribute to quality improvement in MTI operations.	24 30.0%	40 50.0%	00	16 20.0%	00

Source: *Primary data*

Table 3 presents the descriptive statistics regarding the effectiveness of internal control systems in improving efficiency in operations at MTI. The results indicated that 82.5% of the participants confirmed the effectiveness of internal control systems at MTI in improving efficiency in operations, whereas 17.5% were not convinced of the effectiveness of internal control systems in improving efficiency in operations. It suggests that the majority of employees view internal control systems as an important tool to improve efficiency in the operations of organizations because internal controls reduce errors and facilitate compliance.

The findings also indicated that 72.5% of the respondents agreed that control activities at MTI ensure tasks are completed on time, whereas 20.0% disagreed and 7.5% were not sure. This implies that well-established control activities such as supervision, approval procedures, and monitoring mechanisms play an important role in ensuring that operational tasks are executed within the planned timelines, which ultimately improves productivity and operational effectiveness in the organization.

Furthermore, the results showed that 71.2% of the respondents agreed that internal controls help MTI utilize resources efficiently, while 20.0% disagreed and 8.8% were not sure about the statement. This implies that the existence of strong internal control mechanisms such as financial monitoring, accountability procedures, and supervision helps the organization reduce wastage and ensure that available resources are allocated and used appropriately to support operational activities.

Also, it was shown that 68.8% of the respondents believed that risk mitigation measures are highly effective in preventing operational loss, 25.0% of them disagreed and 6.3% of them were uncertain of the statement. In other words, risk management approaches implemented by the internal control system can be regarded as one of the most effective ways of determining and reducing any possible operational risks.

Moreover, it was revealed that 72.5% of the respondents agreed that management commitment to internal controls increases performance of departments, 15.0% of them disagreed and 12.5% were uncertain of the statement. It means that management commitment to internal controls encourages the employees to adhere to them and facilitates coordination of activities within departments.

Finally, it was evident that 80.0% of the participants responded positively that internal control systems lead to quality improvement in MTI operations while 20.0% responded negatively about the issue under review. It can be concluded that through proper implementation of internal control systems, an organization ensures the quality improvement of its operations since tasks are done based on certain set standards.

In conclusion, the findings show that internal control systems play an important role in operational performance within organizations as per the views expressed by employees. This is shown by the

fact that there are high responses to all the statements indicating the role of internal control systems.

4.4 Types of internal control systems used in trying to enhance operational performance

Table 4 shows the findings on the types of internal control systems applied in efforts aimed at improving performance in MTI using a Likert scale with five levels of response, namely; Strongly Agree (SA), Agree (A), Not Sure (NS), Disagree (D) and Strongly Disagree (SD).

Table 4: The types of internal control systems used in trying to enhance operational performance

Statements	Extent of agreement and disagreement				
	SA	A	NS	D	SD
	Freq. (%)	Freq. (%)	Freq. (%)	Freq. (%)	Freq. (%)
MTI has clearly defined authorization and approval procedures for all major operational activities.	20 25.0%	49 61.2%	00	11 13.8%	00
Duties and responsibilities are properly segregated within departments to prevent errors and fraud.	14 17.5%	60 75.0%	00	6 7.5%	00
Regular risk assessments are conducted to identify and address operational risks in MTI.	22 27.5%	50 62.5%	2 2.5%	6 7.5%	00
Internal audit reviews are carried out periodically to evaluate compliance with established procedures.	19 23.7%	56 70.0%	00	5 6.3%	00
MTI uses reliable information and communication systems to support internal control processes.	15 18.7%	49 61.3%	00	16 20.0%	00
Continuous monitoring and supervisory mechanisms are in place to ensure adherence to internal control policies.	19 23.8%	57 71.3%	00	4 5.0%	00

Source: *Primary data*

Table 4 provides a description of the internal control systems that were put in place for improving the performance of MTI. It is evident from the results that 86.2% of the respondents agreed with the statement that MTI has a clearly established authorization process for every activity.

Conversely, 13.8% of the respondents disagreed with the assertion. This suggests that a clearly established authorization process assists in ensuring that all operations carried out are error-free and accountable.

The results also revealed that 92.5% of the respondents agreed that duties and responsibilities are properly segregated within departments to prevent errors and fraud, while 7.5% disagreed with the statement. This implies that the segregation of duties is a critical internal control practice within MTI, as it reduces the possibility of fraud, strengthens transparency in operations, and ensures that no single employee has excessive control over organizational processes.

Furthermore, the findings showed that 90.0% of the respondents agreed that regular risk assessments are conducted to identify and address operational risks in MTI, whereas 7.5% disagreed and 2.5% were not sure. This implies that conducting regular risk assessments enables the organization to identify potential threats to operations early and implement appropriate mitigation strategies, which contributes to improved operational stability and efficiency.

Furthermore, the study found that 93.7% of the respondents were in agreement that internal audit is done periodically to assess the compliance with the procedure, while only 6.3% of the respondents were not in agreement with the statement. In this case, internal audits done periodically play a significant role in improving the compliance of the organization's policies and procedures, hence, increasing accountability and compliance.

Moreover, it was shown in the result that 80.0% of the respondents were in agreement that MTI has reliable information and communication system to assist internal controls, while only 20.0% disagreed with the statement. In this case, information and communication systems have played an essential role in improving internal control activities within the organization.

In addition, from the results obtained, it was evident that 95.1% of the respondents believed that monitoring and supervisory measures have been established to ensure compliance with internal control policies, while 5.0% of the respondents disagreed with the assertion. This means that monitoring and supervision enable employees to observe the internal control measures effectively and this boosts operational discipline, leading to enhanced organizational performance.

In general, it can be inferred that MTI has put in place various internal control systems, such as authorization procedures, segregation of duties, risk assessments, internal audits, communication system, and supervision among others. From the high percentage of responses recorded, it is apparent that internal control systems greatly contribute to accountability and improved organizational performance.

4.5 Challenges encountered in implementation of internal control systems

Table 5 shows the feedback provided by the respondents concerning the difficulties experienced when implementing the internal control system to improve operational efficiency at MTI through a Likert scale. The options include Strongly Agree (SA), Agree (A), Not Sure (NS), Disagree (D), and Strongly Disagree (SD).

Table 5: Challenges encountered in implementation of internal control systems

Statements	Extent of agreement and disagreement				
	SA	A	NS	D	SD
	Freq. (%)	Freq. (%)	Freq. (%)	Freq. (%)	Freq. (%)
There is limited management commitment toward the implementation of internal control systems in MTI.	23 28.8%	51 63.8%	4 5.0%	1 1.3%	1 1.3%
Internal control procedures in MTI are complex and difficult for staff to understand and follow.	19 23.8%	53 66.3%	7 8.8%	00	1 1.3%
Staff members lack adequate training on internal control policies and procedures.	21 26.3%	54 67.5%	4 5.0%	1 1.3%	00
There are insufficient financial and technological resources to support effective internal control implementation.	23 28.8%	51 63.8%	4 5.0%	2 2.6%	00
Risk assessment practices are weak or not regularly conducted in MTI.	20 25.0%	58 72.5%	2 2.5%	00	00
Ethical challenges and resistance to compliance hinder the effective implementation of internal controls.	19 23.8%	57 71.3%	4 5.0%	00	00

Source: *Primary data*

Table 5 illustrates the descriptive statistics on the difficulties faced during the implementation of internal control systems in achieving improved operational performance in MTI. According to the results, 92.6% of the respondents agreed that there is insufficient management commitment towards the implementation of internal control systems in MTI, while 2.6% disagreed and 5.0% did not know whether the statement was correct. This suggests that ineffective management commitment can hinder the effective operation of internal control systems since management is important in ensuring proper policy enforcement, resource allocation, and implementation of internal control measures in an organization.

Moreover, 90.1% of the respondents agreed that the internal control measures in MTI are too complicated for the employees to comprehend, while 1.3% disagreed and 8.8% did not know whether the statement was accurate. This indicates that complicated internal control procedures can make the employees confused, thereby hindering the effective implementation of internal control measures.

In addition to the above findings, the research findings indicated that 93.8% of the respondents agreed that employees lack adequate training in relation to internal control policies and procedures. On the other hand, 1.3% of the respondents disagreed with the statement while 5.0% did not know whether the statement is true. This is because a lack of adequate training will make it difficult for employees to understand how to implement and use internal control methods.

On the other hand, the findings indicated that 92.6% of the respondents agreed that there is a lack of financial and technological resources in relation to the effective implementation of internal controls. In addition, 2.6% of the respondents disagreed with the statement, while 5.0% did not know whether the statement is true. This means that there is a need for an organization to have sufficient financial and technological resources to help implement effective control processes.

Moreover, from the results obtained, it is evident that 97.5% of the respondents indicated that risk assessment is weakly performed or rarely done at MTI, where none of the respondents disagreed with this point while 2.5% had no idea whether the statement was true or not. This shows that risk assessment activities done on an occasional basis will likely pose a risk to the company's operations because the identification and evaluation of risks is a key factor in the internal control system, which ensures there are no losses incurred by the organization.

Finally, the findings showed that 95.1% of the respondents agreed that ethical concerns and compliance resistance make it difficult for internal controls to be implemented effectively, while none disagreed with the statement and 5% had no idea if it was true or not.

In summary, from the results obtained, there are various issues that hinder the effective implementation of the internal control system at MTI. These include management commitment issues, complicated procedures, poor employee training, insufficient funds, poor risk evaluation techniques, and ethical issues. These can result in ineffective internal controls, and this could hamper the achievement of improved performance by the organization.

Table 6: Solutions to challenges encountered in implementation of internal control systems for improved operational performance in MTI

Table 6 outlines the solutions respondents suggested for the challenges faced during the implementation of internal control systems in order to achieve optimal organizational performance within MTI using a Likert Scale whereby the options are Strongly Agree (SA), Agree (A), Not Sure (NS), Disagree (D), and Strongly Disagree (SD).

Statements	Extent of agreement and disagreement				
	SA	A	NS	D	SD
	Freq. (%)	Freq. (%)	Freq. (%)	Freq. (%)	Freq. (%)
Top management actively supports and monitors the implementation of internal control systems in MTI.	42 52.5%	24 30.0%	00	10 12.5%	4 5.0%
Internal control procedures have been simplified to enhance staff understanding and compliance.	23 28.8%	35 43.7%	6 7.5%	11 13.7%	5 6.3%
Regular training and capacity-building programs are conducted on internal control systems.	19 23.7%	38 47.5%	7 8.8%	15 18.7%	1 1.3%
Adequate resources (financial, human, and technological) are allocated to strengthen internal control implementation.	21 26.3%	34 42.5%	5 6.3%	20 25.0%	00
MTI conducts regular risk assessments to identify and mitigate operational risks.	23 28.8%	35 43.7%	10 12.5%	12 15.0%	00

Ethical guidelines, compliance mechanisms, and whistleblowing systems are enforced to strengthen internal controls.	24 30.0%	40 50.0%	00	16 20.0%	00
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Source: *Primary data*

The Table 6 presents the descriptive statistics on the solution to the challenge in implementing the internal control system in order to enhance operational efficiency in MTI. According to the study findings, 82.5% of the respondents believed that the top management of the company played an active role in supporting and monitoring the implementation of the internal control system within the firm while only 17.5% disagreed with the same. This indicates that there is need for the management of the firm to play a crucial role in the process of implementing internal controls.

Also, 72.5% of the participants responded positively to the view that internal control procedures had been simplified for easy comprehension and adherence by staff members, while 20.0% gave negative responses and 7.5% were uncertain regarding the assertion. Therefore, the conclusion is drawn that simplification of internal control procedures facilitates employee comprehension of their duties and adherence to internal control procedures, hence improving compliance and efficacy in the application of internal control procedures within the firm.

In addition, the analysis of the results revealed that 71.2% of the participants responded positively to the statement that capacity-building initiatives and training programs for internal controls are regularly undertaken, while 20.0% responded negatively to the assertion and 8.8% were uncertain regarding the claim. Thus, it can be concluded that capacity-building initiatives and training programs facilitate the acquisition of the necessary skills by employees in applying internal control procedures within an enterprise.

Furthermore, the research findings indicated that 68.8% of the respondents were in agreement that enough resources (financial, human, and technological) have been assigned to implement an internal control system successfully. On the other hand, 25.0% of the respondents disagreed with the statement, and 6.3% did not know whether it was true or false. Therefore, this means that it is important for an entity to have enough resources for implementing internal control systems because it will facilitate its monitoring and management.

On the other hand, the results indicated that 72.5% of the respondents were in agreement that MTI carries out routine assessments to evaluate potential operational risks and come up with relevant mitigation strategies. Conversely, 15.0% of the respondents disagreed, and 12.5% did not know whether the statement was accurate or not.

Finally, the results showed that 80.0% of the respondents confirmed that the enforcement of ethical guidelines, compliance procedures, and whistleblowers is done to enhance the internal control system, while 20.0% did not agree with the statement. It means that the enforcement of ethical standards and accountability processes encourages transparency and integrity, which eventually promotes internal control practices.

In conclusion, it is evident from the results that there have been various solutions to the problem of internal control systems in MTI. Some of these solutions include management commitment, simplifying the control process, training employees, ensuring sufficient resources, conducting risk assessment, and enforcing ethical guidelines. All these aspects significantly contribute to improving internal control practices in the organization.

CHAPTER FIVE

SUMMARY, DISCUSSION, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

This chapter also entails analysis of the findings in terms of the literature reviewed. This chapter also involves the presentation of all the findings made in chapter four in accordance with the questions raised in the study, concluding, giving recommendations, and suggesting future research.

5.1 Summary of findings

From the above study findings, it is evident that internal control systems are instrumental in improving the efficiency of Medical Teams International operations. For example, the majority of respondents (82.5%) believed that internal controls help improve the efficiency of MTI operations. Similarly, 72.5% of the respondents believed that internal controls guarantee timely task completion. In addition, 71.2% of the respondents believed that internal controls help MTI make the best use of its resources. On the other hand, 68.8% of the respondents were convinced that risk reduction measures help mitigate operational losses. It was further established that 72.5% of the respondents believe that internal control systems enhance the performance of departments. Finally, 80% of the respondents believed that internal control systems facilitate quality improvement in MTI operations.

Additionally, the results from the research identified that Medical Teams International has put in place some forms of internal controls designed to promote operational performance. As much as 95.1% of those questioned in the survey believed that there was a continuous supervision system in place that ensured compliance with internal control policies. Furthermore, 93.7% of those surveyed were of the opinion that periodic internal audits were conducted to ensure that internal control policies were adhered to. Additionally, 92.5% of those asked believed that separation of duties had been done well within the departments of Medical Teams International in an effort to minimize errors and any form of fraud in the organization. On the other hand, 90% were in agreement that there were regular risk assessments done within the organization in order to assess operational risks. Also, 86.2% stated that authorization and approvals had been clearly stated by the company for all major operations. Lastly, 80% of those surveyed felt that reliable information

and communication systems had been set up by Medical Teams International in order to conduct proper internal control measures.

Finally, it was found out that some challenges make the implementation of internal control systems difficult in Medical Teams International, while several solutions have also been identified. More than nine out of ten employees (97.5%) agree that poor and irregular risk assessments hinder the effective implementation of internal controls, while 95.1% stated that the implementation of internal controls is affected by ethical issues and non-compliance with compliance requirements. Moreover, 93.8% of respondents agree that the employees are not properly trained regarding internal controls, while 92.6% argue that inadequate management commitment, as well as insufficient budget and technology, negatively impact the implementation process. At the same time, the solutions that have been found by the research include proper support from management and monitoring of internal controls (82.5%), adherence to ethical standards and whistleblowing mechanisms (80.0%), simplicity of internal controls and regular risk assessments (72.5% each), internal control training of employees (71.2%), and sufficient resources for implementing internal controls (68.8%).

5.2 Discussion of findings

5.2.1 Effectiveness of internal control systems in enhancing operational performance

From the study findings, it is clear that having strong internal controls enhances efficiency and ensures timely completion of tasks, efficient utilization of resources, and ensures quality improvements in Medical Teams International. The findings of the study validate the work of Adegboyegun et al. (2020), who found out that strong internal control mechanisms enhance organizational efficiency by ensuring that all operational processes are coordinated and properly monitored in order to minimize errors and inefficiencies. Just like organized internal control mechanisms enhance the efficiency of organizations, strong internal controls ensure adherence to procedures and accountability of workers within organizations. Furthermore, the findings agree with Asiimwe et al. (2021), who found that in public institutions in Uganda, internal control mechanisms improve operational effectiveness and service delivery by enhancing monitoring and supervision of activities. But the results go against what Kim et al. (2022) said, which is that in

some companies, poor implementation of internal controls can lead to administrative rigidity, which slows down operational processes and makes it harder to make efficiency gains.

The results of the study further showed that good internal control systems help to better use resources and lower risks, which boosts operational performance in the company. The results connect with those of Abiodun (2020), who discovered that good internal control systems help businesses to use financial and non-financial resources wisely while also lowering operational risks. Similarly, Hoai et al. (2022) found that good internal control systems improve organizational performance by improving risk management and making sure that operational activities support organizational aims. Likewise, Tuwei and Ondabu (2022) observed that internal control mechanisms including monitoring, authorization, and supervision help businesses avoid operational losses and boost output. Still, Syahputra (2022) disagrees with these results since she claimed that strong accounting information systems and enough managerial oversight are needed for internal control systems to have a big impact on operational results.

Moreover, the research results showed that management dedication to internal controls improves departmental performance and raises the general standard of organizational functioning. The results align with the research by Muhwezi et al. (2023), which demonstrated that effective internal control systems in humanitarian groups increase procurement and operational performance by means of better coordination and monitoring of activities. Furthermore, Kiconco et al. (2022) showed that good internal controls help financial institutions to perform better by increasing responsibility and openness in organizational activities. Similarly, Akankunda et al. (2024) emphasized the importance of management control systems as they facilitate improvement in decision-making and supervision through improved supervision. However, the findings refute those made by Chan et al. (2021), who claimed that although internal control systems play an important role in ensuring stability within organizations, they can sometimes impede creative flexibility in how operations are conducted due to their extensive nature. In general, it can be concluded from the findings that internal control systems are extremely significant when it comes to improving overall organizational performance and efficiency.

5.2.2 Types of internal control systems used in trying to enhance operational performance

The majority of respondents agree that Medical Teams International implements continuous monitoring and supervisory systems in order to ensure that all regulations on internal control practices are observed, as the findings indicate. The findings validate the research conducted by Kiconco et al. (2022) and demonstrate that continuous monitoring and supervising of internal control systems have a significant impact on enhancing corporate performance and accountability due to the ability of management to identify deviations early and follow the necessary rules. In addition, Ndanyi (2021) stated that effective internal control framework monitoring systems help maintain transparency in public organizations and ensure that processes are implemented in accordance with existing standards. Nevertheless, the findings somewhat differ from those obtained by Kim et al. (2022) and reveal that continuous monitoring may fail to improve organizational performance in case of insufficient enforcement of controls in the company.

According to the findings of this study, internal audit reviews, separation of duties, and risk assessment techniques have been implemented at MTI to minimize errors and frauds, and at the same time increase operational efficiency. The findings corroborate the findings of Abomaye-Nimenibo et al. (2021) in terms of the importance of internal audit procedures in promoting operational efficiency through regular monitoring and exposure of deficiencies in operations. On the other hand, Okafor et al. (2025) revealed that the implementation of regular risk assessments and separation of duties would increase internal control effectiveness by minimizing the risks of frauds and improving corporate decision-making procedures. However, the findings refute the findings of Chan et al. (2021) in that while the efficacy of internal controls, including audits and risk assessments, was acknowledged, they might be affected by firm organizational structure and managerial support.

Findings from the study indicate that effective communication and permission management play an important role in ensuring the effectiveness of the internal control systems within Medical Teams International. These findings correlate with the findings by Muhwezi et al. (2023), where they found out that effective communication and information management within humanitarian organizations improve internal procurement controls and positively impact performance. Additionally, Syahputra (2022) notes that efficient information systems not only improve the quality of information within the organization but also ensure effective control systems, which

positively impact performance. Nonetheless, these findings conflict to some extent with the findings by Handoyo et al. (2023), who found out that factors such as market competition, environmental uncertainties, and strategic business decisions have an impact on performance.

5.2.3 Challenges encountered in implementation of internal control systems and solutions

Based on the study findings, it has been observed that inefficient or insufficient risk assessment practices hinder the effective functioning of the internal control systems at Medical Teams International. The findings provide an agreement with the studies by Tuwei and Ondabu (2022), whereby, due to the benefits provided through regular risk assessment in terms of identifying any operational risks and formulating appropriate mitigating strategies, this aspect is regarded as an important component of internal control systems. In their study, Tuwei and Ondabu (2022) noted that inadequate risk assessment practices might lead to inefficiencies and higher risks among various organizations. Likewise, Onwuchekwa et al. (2024) found out that inappropriate risk assessments and insufficient compliance policies affect the efficacy of internal control systems and negatively impact organizational efficiency. On the contrary, these findings contrast to those of Boulhaga et al. (2023), who argued that the successful functioning of internal control systems depends not only on risk assessment practices but also on overall governance practices, including environmental, social, and governance (ESG) practices that could improve organizational performance even if internal control systems are insufficient.

As per the findings of the study, ethical considerations, non-conformity, and inadequate training of personnel are all negatively associated with internal control implementation. In the literature, Cempakasari et al. (2023) have argued that appropriate behavior and conformity with internal control policies are vital for the responsibilities of an organization and preventing fraudulent practices. They found that organizations having low ethical standards and non-conformity issues are prone to inefficiencies in organizational processes and ineffective internal control systems. Moreover, Kabuye et al. (2021) observed that limited competency of employees and lack of knowledge about internal control techniques result in inefficiency in financial reporting and other general control systems within organizations. These findings somewhat contradict the findings of Chan et al. (2021). These authors found that even if employees face challenges with compliance and training issues, organizations can maintain effective internal control systems provided robust structural mechanisms and technological systems exist to guide operations.

Despite the measures used by firms to combat them such as management commitment, whistle blowing, training programs, and resource allocation, the study findings revealed that inadequate management commitment and lack of funds and technologies hinder the process of implementing internal control systems. The findings corroborate the studies by Akankunda et al. (2024), who noted that effective management control systems and management commitment play a pivotal role in enhancing the performance of organizational control systems and sustainability. According to Ajala et al. (2023), for organizations to be able to effectively implement internal control systems and enhance performance, they should invest in employee training, adequate resources, and methods of measurement. To some extent, however, the findings contradict the studies by Adegboyegun et al. (2020), which revealed that despite management commitment and availability of resources, some organizations may fail to realize any effectiveness from their internal control systems due to ineffective implementation approaches and poor organizational culture.

5.3 Conclusion

The findings from the study are that enhancing the operational efficiency of Medical Teams International greatly relies on internal control mechanisms. Effective internal controls are very essential to any organization since they allow efficient operations, timely completion of tasks, proper utilization of resources, and reduce risks within an organization. Another important conclusion from the research is that with dedication by the management of internal controls, the performance of each department becomes effective and operational processes become efficient. Hence, it is clear from the study that efficient internal control systems are vital in ensuring accountability and effectiveness within Medical Teams International.

Moreover, it is observed that the organization has established several internal control mechanisms in order to enhance its operational performance. This mechanism includes continuous supervision, internal audits, segregation of duties, risk assessments, clear authorization and approval procedures, and reliable information and communication system. These mechanisms ensure compliance with organizational policies, prevent errors and frauds, and promote accountability during day-to-day operations. Thus, it is seen from the research findings that effective organizational management and operational stability heavily rely upon internal control mechanisms.

Moreover, from the findings, it can be seen that despite having an internal control system, there are many challenges that limit the organization from effectively implementing the system. Weak risk assessment processes, ethical and moral issues in terms of compliance, inadequate staff training, lack of management support, and insufficient funds to implement the process are some of these challenges. However, some strategies have been devised by the organization to address such challenges. These include enhanced management support, strong ethical and whistleblower policies, simplified internal control processes, regular risk assessment processes, staff training, and proper distribution of resources.

5.4 Recommendations

Based on the findings of the study, the following recommendations have been found necessary concerning the effect of internal control systems on operational performance in an organization: a case of Medical Teams International (MTI).

The research suggests Medical Teams International should bolster and always enhance its internal control systems to keep up with great levels of operational performance. To improve operational efficiency, accountability, and timely completion of organizational goals, control activities including internal audits, supervision, and monitoring should be routinely carried out and properly enforced across all departments.

The research suggests that the company should strengthen everyday risk evaluation procedures inside its internal control system. Early detection of possible operational hazards and application of suitable mitigation strategies made possible by regular and methodical risk assessments will help Medical Teams International to minimize operational losses and boost general organizational performance.

The research advises Medical Teams International to increase internal control policies and procedures staff training and capacity building. Employees' knowledge of their responsibilities in keeping internal controls, lower mistakes and fraud, and enhanced adherence with organizational policies and procedures will all be improved via regular training programs.

The research suggests Medical Teams International's management to show more dedication and encouragement for the use of internal control systems. This covers offering the sufficient financial,

technical, and human resources needed to enable efficient monitoring, communication, and enforcement of internal control policies inside the company.

Thirdly, the study recommends that the firm should employ the use of ethical behavior control policies and promote whistleblowing to enable strengthening of ethical standards and compliance mechanisms. This will ensure that the employees behave in a responsible manner, thereby improving the effectiveness of the internal control mechanisms and hence improving performance of operations within Medical Teams International.

5.5 Areas for further research

Further research on internal control systems should focus on the extent to which these systems correlate with other elements of corporate operations, such as profit generation, service delivery, and employee performance. This will enable researchers to gain insight into the impact of internal control systems on organizational performance in general.

Other philanthropic and non-governmental groups in Uganda should also be researched further so that results may be compared with those from Medical Teams International. Such comparisons would assist ascertainment of the consistency of the link between internal control systems and operational performance throughout several companies and operational settings.

Finally, future studies should look at how digital internal controls and technical systems help companies run more efficiently. This would help to ascertain how digital monitoring systems, automation, and contemporary information systems might improve organizational efficiency and strengthen internal control systems.

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APPENDICES

Appendix 1: Questionnaire

For employees in Medical Teams International

Introduction and Purpose of Study

Dear Respondent,

I am Kabazarwe Ronah a student pursuing a degree of Bachelor of Business Administration (BBA) of UCU. As a requirement for the award of Degree of BBA, I am required to conduct a research. My topic of study is, “internal control systems and operational performance in an organisation: a case of Medical Teams International.” Upon that background, you have been selected as an important respondent for this study which is purposely for academic purpose. I therefore kindly request you to truthfully provide responses to the following questions. All information will be treated utmost confidentiality.

Section A: Background Data

Please tick the box representing the most appropriate responses for you in respect of the following items:

1. Gender

(a). Male

(b). Female

2. In what age bracket do you belong?

(a). 21-30 years

(b). 31-40 years

(c). 41-50 years

(d). 51+ years

3. What is your highest level of education?

- (a). Certificate
- (b). Diploma
- (c). Bachelor’s Degree
- (d). Master’s Degree
- (e). Others specify.....

4. For how long have you worked in Medical Teams International?

- (a). Less than 1 year
- (b). 1-5 years
- (c). 6-10 years
- (d). Above 10 years

Section B: The effectiveness of internal control systems in enhancing operational performance in MTI

Rate your degree of agreement on the effectiveness of internal control systems in enhancing operational performance in MTI using a scale of 5(Strongly Agree), 4(Agree), 3(Not sure), 2(Disagree) and 1(Strongly Disagree).

s. no	Statements	SA	A	NS	D	SD
1	Internal control systems at MTI are effective in improving operational efficiency.					
2	Control activities at MTI ensure tasks are completed on time.					
3	Internal controls help MTI utilize resources efficiently.					
4	Risk mitigation strategies effectively prevent operational losses.					
5	Management commitment to internal controls enhances departmental performance.					

6	Internal control systems contribute to quality improvement in MTI operations.					
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How else is has internal control systems been effective in enhancing operational performance in MTI other than the ones mentioned above?

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Section C: The types of internal control systems used in trying to enhance operational performance in MTI

Rate your degree of agreement on the types of internal control systems used in trying to enhance operational performance in MTI using a scale of 5(Strongly Agree), 4(Agree), 3(Not sure), 2(Disagree) and 1(Strongly Disagree).

s. no	Statements	SA	A	NS	D	SD
1	MTI has clearly defined authorization and approval procedures for all major operational activities.					
2	Duties and responsibilities are properly segregated within departments to prevent errors and fraud.					
3	Regular risk assessments are conducted to identify and address operational risks in MTI.					
4	Internal audit reviews are carried out periodically to evaluate compliance with established procedures.					
5	MTI uses reliable information and communication systems to support internal control processes.					
6	Continuous monitoring and supervisory mechanisms are in place to ensure adherence to internal control policies.					

Suggest any other types of internal control systems used in trying to enhance operational performance in MTI other than the ones mentioned above?

.....

Section D: The challenges encountered in implementation of internal control systems for improved operational performance in MTI and the solutions undertaken

Rate your degree of agreement on the challenges encountered in implementation of internal control systems for improved operational performance in MTI and the solutions undertaken using a scale of 5(Strongly Agree), 4(Agree), 3(Not sure), 2(Disagree) and 1(Strongly Disagree).

s. no	Challenges	SA	A	NS	D	SD
1	There is limited management commitment toward the implementation of internal control systems in MTI.					
2	Internal control procedures in MTI are complex and difficult for staff to understand and follow.					
3	Staff members lack adequate training on internal control policies and procedures.					
4	There are insufficient financial and technological resources to support effective internal control implementation.					
5	Risk assessment practices are weak or not regularly conducted in MTI.					
6	Ethical challenges and resistance to compliance hinder the effective implementation of internal controls.					
s. no	Solutions	SA	A	NS	D	SD
1	Top management actively supports and monitors the implementation of internal control systems in MTI.					
2	Internal control procedures have been simplified to enhance staff understanding and compliance.					
3	Regular training and capacity-building programs are conducted on internal control systems.					
4	Adequate resources (financial, human, and technological) are allocated to strengthen internal control implementation.					
5	MTI conducts regular risk assessments to identify and mitigate operational risks.					

6	Ethical guidelines, compliance mechanisms, and whistleblowing systems are enforced to strengthen internal controls.					
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Suggest any other challenges encountered in implementation of internal control systems for improved operational performance in MTI and the solutions undertaken other than the ones mentioned above?

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Thank you very much for your cooperation