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EFFECT OF FINANCIAL INTERNAL CONTROLS ON
OPERATIONAL PERFORMANCE: THE CASE OF GALZ.

BY

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Abstract

This study examines how financial internal controls influence operational performance in non-governmental organisations, using GALZ as a focused case. GALZ operates in a politically sensitive environment in Zimbabwe, where accountability demands and resource pressures make financial governance particularly critical. The research is grounded in the COSO Internal Control Framework and draws conceptually from agency, stewardship, institutional and resource-based theories. A mixed-methods design was used. Structured questionnaires captured staff perceptions of internal control effectiveness, while in-depth interviews with managers, auditors and donor representatives provided contextual insight into how these controls function in practice. The findings show that monitoring, risk assessment and information flow are the most influential control components, with clear links to improvements in service delivery, donor trust and timely execution of activities. Quantitative analysis of mean scores identifies two dominant themes: Strong Structural Compliance and Challenged Timeliness. While the foundational elements of the COSO framework, specifically governance and segregation of duties, received "Very High" ratings, a significant operational weakness was identified in the timely recording of financial records. This "Moderate-High" score highlights a critical bottleneck in reporting speed, despite the system being fundamentally sound and robust in its oversight and risk mitigation capabilities. However, gaps were observed between having control systems in place and ensuring their consistent enforcement, particularly where resource limitations and compliance pressures intersect. By focusing on a single organisation, the study offers a grounded perspective that connects theory with practical realities in a fragile NGO environment. It recommends context-sensitive adaptations to control systems, investment in staff capacity and closer alignment between donor requirements and on-the-ground operational conditions. These measures are presented as essential not only for strengthening control effectiveness at GALZ but also for enhancing accountability and sustainability within Zimbabwe's wider NGO sector.

Keywords: Financial Internal Controls , COSO Framework , Operational Performance , NGO Governance , and Risk Assessment

Declaration Page

I declare that this dissertation is my original work except where sources have been cited and acknowledged. The work has never been or will it ever be submitted to another university for the award of a degree.

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Dedication

This research is dedicated to family, friends, GALZ and loved ones who taught me to never stop believing.

I salute you!

List of Acronyms and Abbreviations

NGO	Non-Governmental Organization
GALZ	An Association of LGBTI people in Zimbabwe
COSO	Committee of Sponsoring Organizations of the Treadway Commission
RBV	Resource-Based View
PVO	Private Voluntary Organization
OECD	Organisation for Economic Co-operation and Development
UN	United Nations
USAID	United States Agency for International Development
IFRS	International Financial Reporting Standards
IC	Internal Controls
M&E	Monitoring and Evaluation
IA	Internal Audit
MoU	Memorandum of Understanding
ZIMRA	Zimbabwe Revenue Authority
SADC	Southern African Development Community

HR	Human Resources
IT	Information Technology
KII	Key Informant Interview
IRB	Institutional Review Board

Definition of Key Terms

Internal Controls: Policies and procedures designed to safeguard assets, ensure accurate reporting, and promote efficient operations.

Operational Performance: The effectiveness and efficiency with which an organization achieves its goals.

Non-Governmental Organization (NGO): A non-profit group independent of government, focused on social or humanitarian objectives.

COSO Framework: A model outlining five components for effective internal control in organizations.

Risk Assessment: The process of identifying and evaluating potential threats to organizational objectives.

Table of Contents

Abstract	i
Declaration Page.....	ii
Copyright.....	iii
Acknowledgements	iv
Dedication	v
List of Acronyms and Abbreviations	vi
Definition of Key Terms	viii
Table of Contents	ix
List of Tables.....	xiii
Figure 4.1 Length of Service.....	xiv
CHAPTER 1 INTRODUCTION	1
1.1. Introduction	1
1.2. Background of the Study.....	2
1.2.1. Global Perspective.....	2
1.2.2. National Perspective – Zimbabwe.....	3
1.2.3. Historical Trends in Zimbabwean NGO Funding (1980–2023).....	4
1.2.4. Specific Context – Gays and Lesbians of Zimbabwe (GALZ)	5
1.3. Statement of the Problem	6
1.4. Research Objectives	8
1.5. Research Questions	9
1.6. Assumptions/Hypotheses	9
1.7. Significance of the Study.....	11
1.8. Delimitation of the Study	11
1.9. Limitations of the Study	12
1.10 Structure of the Dissertation.....	12
CHAPTER 2 REVIEW OF RELATED LITERATURE	14
2.1 Introduction	14
2.2 Theoretical Framework	14
2.2.1 The COSO Internal Control – Integrated Framework.....	14
2.2.2 Agency Theory	15
2.2.3 Stewardship Theory.....	16
2.2.4 Institutional Theory	17
2.2.5 Resource-Based View (RBV)	18
2.3 Internal control systems and organizational effectiveness	19
2.4 Information and Communication	20

2.5 Control environment and organizational effectiveness	20
2.6 Control activities and organizational effectiveness.....	21
2.7 Risk assessment and organizational effectiveness	21
2.8 Monitoring of controls and organizational effectiveness	22
2.9 Empirical Literature	22
2.10 Conceptual Framework	27
2.11 Research Gap.....	29
2.12 Chapter Summary	32
CHAPTER 3 METHODOLOGY	33
3.1 Introduction	33
3.2 Research Design	33
3.3 Population and Sampling.....	34
3.3.1 Sampling Technique.....	34
3.3.2 Sample Size	35
Table 3.1 Population and Sampling Metrics- Quantitative.....	35
Table 3.2 Population and Sampling Metrics- Qualitative – Focus Group Discussion	36
Table 3.3 Population and Sampling Metrics- Qualitative – In- Depth Interviews	37
3.4 Data Collection Instruments.....	38
3.5 Data Collection Procedure.....	39
3.5.1 Quantitative Data.....	39
3.5.2 Qualitative Data.....	41
3.6 Data Collection Procedure.....	43
3.6.1 Quantitative Data.....	43
3.6.2 Qualitative Data.....	44
3.7 Analysis and Organisation of Data.....	46
3.7.1 Validity and Reliability	48
3.8 Ethical Considerations.....	49
3.9 Chapter Summary	49
CHAPTER 4 DATA PRESENTATION, ANALYSIS, AND INTERPRETATION	51
4.1 Introduction	51
4.2 Frequencies of Demographics	51
Table 4.1: Frequencies on Position and Service Length.....	52
4.3 Assessment of GALZ's Internal Control Environment and Key Activities	53
Table 4.2: Assessment of GALZ's Internal Control Environment and Key Activities	54
4.4 Effectiveness of Financial Internal Controls at GALZ.....	55

Table 4.3: Descriptive Statistics on Internal Control Effectiveness.....	55
4.5 Impact of Control Activities.....	57
Table 4.4 Descriptive Statistics on Impact of Financial Internal activities.....	57
4.5.1 Descriptive Statistics on information and communication.....	58
4.5.2 Descriptive Statistics on Risk assessment.....	59
4.6 Multiple Regression Test.....	60
Table 4.5 Model summary.....	61
4.6.2. ANOVA Tests.....	61
Table 4.6 ANOVA.....	62
4.6.3 Estimated Regression Model.....	63
Table 4.7: Regression and Coefficient of Determination.....	64
Table 4.8 Hypothesis Assessment Summary Table.....	64
4.7 Qualitative Analysis of Findings.....	65
4.7.1 Challenges in delivering programs and services efficiently.....	66
4.7.2 Challenges GALZ faces in delivering programs and services efficiently that might be linked to poor financial internal controls.....	67
4.8 Discussion and Interpretation.....	70
4.9 The Efficiency-Accountability Trade-off (The Bottleneck).....	73
4.10 Mixed-Methods Integration.....	73
4.9 Chapter Summary.....	74
CHAPTER 5 SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS.....	75
5.1 Introduction.....	75
5.2 Summary of Key Findings.....	75
5.2.1 Internal Control Environment and Activities.....	75
5.2.3 The Impact of Financial Internal Control on Operational Performance.....	77
5.3.3 Implications for Academic Scholarship.....	78
5.4 Conclusion.....	79
5.5 Recommendations.....	80
5.5.1 Recommendations to GALZ Management.....	81
5.5.2 Recommendations to Donors and External Policymakers.....	82
5.5 Limitations of the Study.....	83
5.6 Suggestions for Future Research.....	84
5.7 Chapter Summary.....	85
References.....	86
Appendices.....	90
Appendix 1: Questionnaire Survey Instrument.....	90

Appendix 2: Focus Group Discussion Instrument	95
Appendix 3: Focus Group Discussion Instrument	98
Appendix 4: Informed Consent Guide Instrument.....	100
Appendix 5: AUREC Approval Instrument	104
Appendix 6: GALZ Research Approval Instrument	106
Appendix 7: Minutes of Focus Group Discussion Instrument.....	110
Abstract:	111
Declaration	120
Appendix 8: Africa University Research Ethics Committee.....	108

List of Tables

Table 3.1 Population and Sampling Metrics- Quantitative	35
Table 3.2 Population and Sampling Metrics- Qualitative – Focus Group Discussion	36
Table 3.3 Population and Sampling Metrics- Qualitative – In- Depth Interviews	37
Table 4.1: Frequencies on Position and Service Length	52
Table 4.2: Assessment of GALZ's Financial Control Environment and Key Activities	54
Table 4.3: Descriptive Statistics on Financial Internal Control Effectiveness.....	55
Table 4.4 Descriptive Statistics on Impact of Financial Internal Controls	57
Table 4.5 Model summary.....	61
Table 4.6 ANOVA	62
Table 4.7: Regression and Coefficient of Determination.....	64
Table 4.8 Hypothesis Assessment Summary Table	64

List of Figures

Figure 4.1 Length of Service.....	53
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CHAPTER 1 INTRODUCTION

1.1.Introduction

Internal control systems form the backbone of organizational governance, accountability, and performance. Across both corporate and non-profit sectors, the effectiveness of financial internal controls has been widely acknowledged as a critical determinant of sustainability and resilience. In the non-profit space, particularly in environments characterized by resource scarcity, fragile institutions, and volatile economies, internal controls take on even greater significance. They ensure that scarce donor resources are safeguarded against fraud and misuse, that programmatic funds are allocated in accordance with donor agreements, and that the organization maintains the credibility required to secure future funding.

The global surge in concern about financial mismanagement in NGOs has amplified donor scrutiny and emphasized the need for robust systems of accountability. In Zimbabwe, where non-profit organizations play a crucial role in addressing social justice, human rights, and humanitarian gaps, the pressure to demonstrate responsibility and operational efficiency is particularly acute.

This study therefore seeks to investigate the extent to which the effectiveness of financial internal controls contributes to the operational performance of GALZ, an NGO operating in one of the most socially and politically sensitive environments in the country. By integrating quantitative analysis with qualitative perspectives, the research seeks to move beyond descriptive assessments of controls to provide an evidence-based, nuanced understanding of how these systems shape real organizational outcomes.

1.2. Background of the Study

1.2.1. Global Perspective

Worldwide, failures in internal controls have precipitated some of the most damaging organisational collapses in both the corporate and non-profit sectors. Scandals such as Enron, WorldCom, and, more recently, Oxfam's 2018 accountability crisis have highlighted the devastating impact of weak oversight, inadequate monitoring, and ineffective control environments. While these cases originated in different institutional contexts, their ripple effects underscored the universal importance of robust governance systems. In the NGO sector, where legitimacy depends almost entirely on external funding and donor trust, the strength of internal controls is not only a financial safeguard but also a determinant of survival.

Recent literature confirms the continued relevance of internal controls in enhancing NGO performance. Khalil and Ozkan (2021) found that strong monitoring mechanisms improve donor confidence and enhance operational efficiency among European NGOs. Emmanuel et al. (2022), studying 75 NGOs in Nigeria, reported that each COSO internal control component positively influenced NGO financial performance. Similarly, Oyugi et al. (2025) demonstrated in a Nairobi-based study that preventive controls had the most potent positive effect on financial efficiency, with their regression model explaining 64.45% of performance variability. Catherine (2022) further established that donor funding sustainability in Nigerian NGOs was contingent on effective internal controls.

1.2.2. National Perspective – Zimbabwe

The NGO sector in Zimbabwe is embedded in a socio-political and economic environment characterised by chronic hyperinflation, fluctuating exchange rates, and contested regulatory frameworks. According to the World Bank’s 2021 Public Expenditure Review, Zimbabwe’s health sector and NGO partners displayed “important weaknesses in accountability and internal control systems,” which undermined the effectiveness of programme delivery.

More recent Zimbabwean scholarship has reinforced these concerns. Chigumba and Mutsau (2023) found that deficiencies in monitoring and communication among local NGOs resulted in delays in programme implementation and weakened donor trust. Nyamadzawo (2021) similarly demonstrated that weak communication systems created donor frustration and inefficiencies in NGO programme delivery. Meanwhile, studies on enterprise risk management (ERM) in Zimbabwean NGOs highlight its potential in strengthening internal controls, particularly for asset safeguarding, fraud prevention, and reporting accuracy (Ruzivo & Chikozho, 2022).

These findings indicate that internal control weaknesses are not merely operational oversights but systemic vulnerabilities that threaten the sustainability of NGOs in Zimbabwe.

1.2.3. Historical Trends in Zimbabwean NGO Funding (1980–2023)

To contextualise the evolving need for effective internal controls, it is important to examine long-term NGO funding patterns in Zimbabwe. Although comprehensive annualized records are limited, sectoral studies and donor reports provide insights into broader historical trends. In the immediate post-independence period of the 1980s and 1990s, Zimbabwe’s NGO sector expanded significantly, supported by both multilateral and bilateral donors. NGOs initially focused on welfare provision, addressing humanitarian needs in health, education, and food security, before gradually shifting towards development-oriented programming as the country stabilised (ODI, 2013). This early growth underscored the pivotal role of NGOs in supplementing state-led initiatives and laid the foundation for their current dominance in service delivery and advocacy.

The donor landscape, however, shifted considerably during the 2000s. Economic decline, hyperinflation, and contested political reforms triggered both surges and declines in aid flows. Between 2009 and 2013, following the formation of the Government of National Unity, Zimbabwe experienced a temporary revival in donor engagement. Despite increased funding volumes during this period, studies revealed that local NGOs remained heavily dependent on external resources. Survival ratios—the number of days NGOs could sustain operations without new donor inflows—averaged between 16 and 22 days, with the lowest resilience occurring in years of relatively higher donor volume due to increased expenditure commitments (Ruzivo Trust, 2014). Figure 1.1 illustrates these fragile survival ratios, highlighting the sector’s chronic financial vulnerability despite seemingly strong inflows.

1.2.4. Specific Context – Gays and Lesbians of Zimbabwe (GALZ)

Within this national and regional context, GALZ stands out as a unique case. Operating as an advocacy organisation for sexual minorities in Zimbabwe, GALZ functions in politically sensitive terrain while relying almost exclusively on donor funding. In such an environment, internal controls are not only financial necessities but also strategic defenses against reputational harm, donor withdrawal, and political vulnerability. For GALZ, accountability mechanisms serve dual purposes: assuring donors that resources are adequately safeguarded and demonstrating organisational legitimacy in a contested socio-political space.

Yet no detailed empirical study has examined GALZ's internal control systems or their impact on operational performance. While anecdotal evidence suggests challenges in monitoring, communication, and compliance, systematic data is lacking. This absence of evidence reflects a broader academic gap in Zimbabwean NGO research, where most studies examine the sector broadly without focusing on organisation-specific dynamics.

GALZ operates as an advocacy organization entrenched in politically sensitive terrain and reliant on donor support. In such a setting, effective internal controls are not only fiscal necessities but structural defenses against reputational harm, internal mismanagement, and donor withdrawal. While no detailed study of GALZ's internal controls exists, the broader context-evidenced by sector-wide control failures and ERM potential, both contextualizes and justifies a focused empirical examination of how internal control effectiveness shapes operational performance in this unique NGO.

This multi-layered background-from global best practices to regional disparities and Zimbabwean vulnerabilities-underscores a consistent pattern: NGOs achieve stronger operational outcomes when internal controls are robust and contextually adapted. However, Zimbabwe's systemic weaknesses, coupled with GALZ's sensitive advocacy mandate, amplify the risks of weak controls and donor skepticism. Despite the generalised recognition of internal control's importance, there remains a dearth of empirical research on how these systems function in practice at GALZ. Equally, the lack of organization-specific studies hinders the development of evidence-based improvements. This study, therefore, addresses the pressing problem of determining how effective financial internal controls influence operational performance in GALZ, with broader implications for NGOs in Zimbabwe.

1.3.Statement of the Problem

Despite the well-documented importance of financial internal controls in safeguarding organisational assets, enhancing accountability, and promoting operational efficiency, empirical evidence indicates that many NGOs in Zimbabwe continue to struggle with both the design and consistent implementation of these systems. NGOs in Zimbabwe face significant financial internal control weaknesses, characterized by weak, inconsistent, or bypassed policies, resulting in high risks of fraud, misappropriation of donor funds, and poor financial accountability. Despite having basic structures, limitations in staff capacity, poor monitoring, and economic instability undermine the effectiveness of these controls.

Financial mismanagement is prevalent, sometimes resulting in substantial financial loss, as seen in cases where funds are diverted from planned projects to personal use, leading to damaged reputation. NGO sector in Zimbabwe operates within a volatile socio-economic context, marked by hyperinflation, political sensitivities, and regulatory scrutiny, all of which exacerbate the challenges of implementing robust financial internal controls. An unstable economic environment, combined with strict, sometimes demanding donor reporting requirements, places strain on the already fragile internal control environment. This situation calls for strengthening internal control frameworks to ensure accountability, donor confidence, and the sustainability of NGO operations in Zimbabwe.

While the theoretical importance of financial internal controls in safeguarding assets and ensuring accountability is well-documented, a critical disconnect exists between policy design and operational execution within the NGO sector in Zimbabwe. Specifically, at GALZ, the internal control environment is increasingly strained by a "perfect storm" of hyperinflation, regulatory scrutiny, and limited staff capacity. This breakdown in control effectiveness has moved beyond a mere administrative issue; it has become a systemic operational crisis.

The operational dysfunction is characterized by "performance leaks," where inconsistent policy implementation and bypassed safeguards lead to budget variances, project delays, and financial misappropriation. These inefficiencies do not exist in a vacuum; they directly inhibit the organization's performance metrics, turning a supposed support function into a primary bottleneck.

Leadership is forced into a reactive cycle of crisis management and inter-project reconciliation, detracting from strategic growth and institutional strengthening. The erosion of financial accountability triggers a "confidence deficit," in which stringent reporting requirements and audit queries threaten the long-term sustainability of funding pipelines. Most critically, the loss of resources and operational momentum directly compromises the quality and reach of services provided to the community, leaving the organization's social mission vulnerable.

Without a robust evaluation of how these internal control failures specifically degrade operational performance, GALZ remains at risk of reputational damage and institutional instability. There is an urgent need to bridge the gap between financial oversight and mission-driven results to ensure the organization can survive and thrive in a volatile socio-economic landscape.

1.4. Research Objectives

- i. To assess the effect of control environment on organizational performance in GALZ.

- ii. To evaluate the impact of control activities on organizational performance in GALZ.
- iii. To determine the Influence of risk assessment on organizational performance in GALZ.
- iv. To evaluate the effect of Information and communication on organizational performance in GALZ.
- v. To assess the role of monitoring controls on organizational performance in GALZ.

1.5. Research Questions

- i. To what extent does the control environment influence the financial and operational performance of GALZ?
- ii. How do internal control activities, such as segregation of duties and authorized approvals, impact the efficiency of GALZ program delivery?
- iii. In what ways do risk identification and assessment procedures affect the financial sustainability and risk mitigation of GALZ?
- iv. How does the quality of information and communication systems impact decision-making and transparency in GALZ?
- v. What role does the monitoring of internal controls (e.g., internal auditing) play in improving accountability and reducing fraud in GALZ?

1.6. Assumptions/Hypotheses

This study proceeds on the assumption that respondents will provide accurate and reliable information regarding the state of internal controls and operational performance at GALZ.

It is further assumed that financial internal control systems are implemented consistently

across departments and that finance staff, auditors, and program managers possess adequate knowledge of control processes to provide valid responses. Another underlying assumption is that donor reporting requirements are sufficiently standardised to permit comparative evaluation of operational performance outcomes. Finally, the study assumes that the COSO framework provides a relevant and valid lens through which to assess internal control effectiveness in the Zimbabwean NGO context. The researcher assumes that the findings will be reliable. The researcher assumes that most of the questions probed will be answered. The researcher assumes that the sample will represent the target population under study as a whole. Reasonable recommendations and conclusions are to be made.

Drawing on the COSO internal control framework and existing literature on NGO governance and accountability, the study tested the following hypotheses:

H1: A supportive **control environment** is positively associated with operational performance.

H2: Effective **risk assessment** is positively associated with operational performance.

H3: Well-designed and consistently executed **control activities** are positively associated with operational performance.

H4: Timely and transparent **information and communication** are positively associated with operational performance.

H5: Ongoing **monitoring** is positively associated with operational performance.

These hypotheses reflect the assumption that each of the five COSO components contributes to organisational effectiveness by enhancing efficiency, accountability, timeliness, and donor confidence. Collectively, they provide the empirical basis for evaluating how financial internal control mechanisms influence the operational performance of GALZ.

1.7. Significance of the Study

This research is important in several ways. For GALZ, it enhances understanding of financial internal controls and their influence on organisational effectiveness, guiding practical improvements, policy-making and boosting accountability, transparency and service quality. For the university, it boosts its academic standing and offers useful reference material for future students. For the researcher, it promotes personal and professional development, deepening expertise in financial internal controls and the fulfilment part of the requirements for the Executive Masters in Business Administration. Lastly for other scholars, it provides empirical evidence on how financial internal controls affect non-profit entities and helps to develop best practices in NGO financial management.

1.8. Delimitation of the Study

The study focuses on GALZ's finance-related processes and program support functions. It does not audit financial statements; rather, it evaluates perceived and observed control effectiveness and its association with operational outcomes.

1.9.Limitations of the Study

Like any empirical inquiry, this study is subject to limitations. The most obvious is the single-case design, which enhances depth of analysis but constrains generalizability. The findings may not be fully applicable to all NGOs in Zimbabwe or across Sub-Saharan Africa, although they provide valuable insights for organisations operating under similar conditions. Data access presents another limitation. Given the political sensitivities of GALZ's mandate, some financial and operational information may be withheld, thereby limiting the comprehensiveness of the analysis. Additionally, response bias is a potential concern, as staff and management may provide socially desirable responses to protect the organisation's reputation. Finally, the study's reliance on self-reported measures of performance introduces subjectivity, though this is mitigated through triangulation with audit reports and donor feedback.

1.10. Structure of the Dissertation

This dissertation is organized into five chapters, each of which builds upon the other to create a coherent narrative. Chapter One introduces the research by presenting the background, problem statement, objectives, justification, and scope of the study. Chapter Two provides a critical review of theoretical and empirical literature, identifying gaps and developing the conceptual framework that guides the analysis. Chapter Three outlines the methodology, detailing the research philosophy, design, sampling strategies, data collection procedures, and analytical techniques, while also addressing issues of validity, reliability, and ethics. Chapter Four presents and interprets the research findings, integrating quantitative and qualitative results to generate a holistic understanding of the relationship between internal controls and

operational performance. Finally, Chapter Five concludes the study by summarizing key findings, discussing theoretical and practical implications, and offering recommendations for policy, practice, and future research.

1.11 Chapter Summary

This chapter has provided a detailed introduction of the study. The background of the study as analysed from global perspective, regional perspective and the specific context that is GALZ. The research objectives and questions were also presented. The chapter further presented the significance of the study, delimitations of the study and the structure of the whole study was provided. The next chapter will provide the literature review of the study.

CHAPTER 2 REVIEW OF RELATED LITERATURE

2.1 Introduction

This chapter explores the theoretical and empirical foundations of the study. It reviews internal control theories and models that provide the intellectual scaffolding for analysing financial governance in NGOs. Empirical studies are examined globally, regionally, and locally, with particular emphasis on findings published between 2021 and 2025. Each study is analysed for its methodology, data, and conclusions, followed by a critique that links it to the research objectives and problem statement of this dissertation. Finally, a conceptual framework is developed to guide the empirical investigation.

2.2 Theoretical Framework

2.2.1 The COSO Internal Control – Integrated Framework

The COSO Internal Control–Integrated Framework, first introduced in 1992 and revised in 2013, provides one of the most comprehensive models for assessing the design and effectiveness of internal control systems. It identifies five interdependent components—control environment, risk assessment, control activities, information and communication, and monitoring—that collectively safeguard organisational assets and ensure the achievement of strategic and operational objectives. Recent studies affirm the framework’s applicability beyond corporate entities to the non-profit sector, where accountability to donors and beneficiaries is paramount. For instance, Khalil and Ozkan (2021) found that COSO’s emphasis on structured monitoring enhanced donor trust in European NGOs, while Chelangat and Sang (2022) highlighted its contribution to financial accountability in Kenyan civil society organisations. The framework is

particularly useful in fragile economies, where weak institutions increase the risk of fraud and mismanagement (Osei-Tutu, 2023).

Nevertheless, critics caution that the COSO model may be overly compliance-heavy. Implementing all five components in resource-constrained NGOs can create bureaucratic inefficiencies that divert resources away from programme delivery (Tegoue et al., 2022). Smaller NGOs, such as GALZ, may find the framework burdensome if applied mechanistically. Despite these concerns, COSO remains the most relevant benchmark for this study because it provides a structured way to evaluate internal controls while aligning directly with the research objectives of assessing their impact on operational performance.

2.2.2 Agency Theory

Agency theory, first articulated by Jensen and Meckling (1976), explains the conflicts that arise when principals (resource providers) delegate responsibilities to agents (managers). In NGOs, principals are typically donors who expect resources to be used efficiently, while agents are managers and staff responsible for implementation. The theory posits that information asymmetry between donors and NGO managers creates opportunities for opportunistic behaviour, including resource diversion or inefficiency. Internal controls thus function as monitoring mechanisms to mitigate agency problems, aligning the interests of managers with those of donors (Raimo et al., 2021).

In the NGO context, agency problems are even more pronounced than in corporations because beneficiaries—the ultimate intended recipients of resources—often lack the ability to directly monitor usage. Donors rely heavily on reporting systems, audits, and

external evaluations to verify performance. Recent evidence shows that NGOs with stronger monitoring and reporting systems are better able to retain donor support and avoid funding cuts (Chigumba & Mutsau, 2023). Critics, however, argue that agency theory overemphasises opportunism and neglects altruistic motivations that often drive NGO managers (Sultana et al., 2022). Nevertheless, in environments such as Zimbabwe, where accountability failures have historically led to donor scepticism, the relevance of agency theory remains high, as it underscores the necessity of robust internal control systems.

2.2.3 Stewardship Theory

Stewardship theory offers a counterpoint to agency theory by assuming that managers are intrinsically motivated to act in the best interests of principals. It posits that managers view themselves as stewards of donor resources, motivated by organisational mission and collective goals rather than self-interest (Davis et al., 1997). In NGOs, this perspective resonates strongly because many staff are value-driven and see their roles as part of a larger social mission. According to Osei-Tutu (2023), NGOs in Ghana achieved higher donor confidence when management practices demonstrated stewardship, even when external monitoring mechanisms were less stringent.

Critically, stewardship theory does not negate the need for internal controls; rather, it suggests that controls complement intrinsic motivation by institutionalising accountability. For instance, effective monitoring does not imply distrust but can reinforce managers' commitment to transparency, particularly in politically sensitive NGOs like GALZ. Critics of stewardship theory argue that it can be overly idealistic,

ignoring cases where resource misuse arises despite strong mission orientation (Mugisha & Otenyo, 2022). However, its value lies in balancing the compliance-heavy assumptions of agency theory, highlighting that internal controls can enhance rather than erode trust.

2.2.4 Institutional Theory

Institutional theory provides a sociological lens by explaining how organisational practices are shaped not only by efficiency concerns but also by the need to gain legitimacy within broader institutional environments. NGOs adopt internal controls in response to coercive pressures from donors, normative pressures from professional networks, and mimetic pressures to conform to established models (DiMaggio & Powell, 1983). In the NGO sector, this means that control systems are often implemented to meet donor requirements and to align with international accountability norms rather than solely to improve efficiency (Mugisha & Otenyo, 2022).

Recent research in Sub-Saharan Africa shows that many NGOs adopt COSO-style frameworks primarily to secure donor legitimacy rather than to enhance internal governance (Tegoue et al., 2022). While such practices improve external perceptions, they can also burden NGOs with compliance costs that reduce responsiveness to local contexts. For GALZ, institutional theory is particularly relevant, as its operations are shaped by both donor expectations for financial transparency and state scrutiny due to its sensitive mandate. The theory thus underscores that internal controls serve not only operational but also symbolic purposes.

2.2.5 Resource-Based View (RBV)

The Resource-Based View (RBV) extends the analysis of internal controls by framing them as strategic organisational resources. According to RBV, resources that are valuable, rare, inimitable, and non-substitutable (VRIN) can provide organisations with sustained competitive advantage (Barney, 1991). While often applied to firms, RBV has been increasingly used in NGO research to conceptualise governance systems as intangible assets that enhance organisational credibility and performance (Sultana et al., 2022). In this sense, effective internal controls are more than compliance mechanisms; they are strategic resources that improve efficiency, strengthen donor confidence, and differentiate NGOs in a competitive funding environment.

Empirical studies show that NGOs with strong governance and control systems are more likely to secure multi-year funding, retain donor partnerships, and expand operations (Emmanuel et al., 2022). For GALZ, where legitimacy is continuously contested, internal controls represent a strategic asset that can reassure donors of responsible stewardship and safeguard the organisation's sustainability. Critics of RBV note that it downplays external institutional constraints such as political interference and donor dependency, which may limit the extent to which internal controls function as strategic resources (Osei-Tutu, 2023). Nonetheless, RBV enriches the theoretical framework of this study by positioning controls not merely as safeguards but as levers for long-term resilience.

2.3 Internal control systems and organizational effectiveness

Internal controls are a system of rules and processes that help a company comply with regulations and laws, improve operational efficiency and effectiveness and achieve financial reporting dependability (Alfartoosi & Jusoh, 2021). Internal control mechanisms improve financial reporting systems, operational effectiveness and efficiency and adherence to established norms and rules (Nanzala & Ingabo, 2021). Internal control mechanisms safeguard firm's assets, improve financial and operational performance and assure policy compliance (Hoai et al., 2022; Omar & Yussuf, 2021).

Several authors contend that internal control mechanisms enhance organizational effectiveness through control environment, control activities, risk assessment, monitoring of controls and information and communication (Chen, Yang, Zhang, & Zhou, 2020). The control environment offers order and structure for the internal control framework's goals to be met. Control activities guarantees management controls and directions on financial reporting (Chang et al., 2019). Risk assessment detects and analyzes operational risks in a timely manner. Monitoring of controls assure efficacy and efficiency in system design and operation. Information and communication promote the various segments of internal control so that they can work properly. The researchers focus on internal control dimensions of control environment, risk assessment, control activities, information and communication and monitoring of controls as antecedents to organizational effectiveness in this study.

2.4 Information and Communication

Information and communication are processes used in the location, collection and properly disseminating essential information within the confines set by management to fulfill the organization's financial reporting purpose (Frazer, 2020; Taiwo et al., 2016; Vu & Nga, 2022). Hamdan (2019) contend that effective communication is predicated on disseminating pertinent information with every significant organizational division. Several authors assert that the effectiveness of information and communication in an organization reflects the organization's control environment (Bruwer, Coetzee, & Meiring, 2018).

Similarly, several authors argue that an effective information and communication system promptly provide accurate and pertinent information to the various stakeholders. Martin et al. (2014) underlined the necessity of information and communication in supporting the various segments of internal control to function efficiently. The study proposes the following hypothesis.

2.5 Control environment and organizational effectiveness

Control environment is the supporting attitude, style and philosophy of those connected with the organization as well as their competency, morale, integrity and ethical values (Chen et al., 2020). Several authors concord with the above view, when they assert that the control environment consists of structures, methods and measures that serve as a foundation for evaluating the internal control framework (Vu & Nga, 2022). Control environment provides discipline and structure for attaining internal control system goals and improving system quality.

Similarly, several authors contend that control environment demonstrates management dedication to ethical business practices which enhance employee behavior and organizational performance (Gal & Akisik, 2020). The study proposes the following hypothesis.

2.6 Control activities and organizational effectiveness

Control activities are systems, procedures and policies that ensure the implementation of directives on financial reporting as well as management controls (Adegboyegun, Ben-Caleb, Ademola, Oladutire, & Sodeinde, 2020; Le et al., 2020). GamageLow and Keving (2018) postulates that control activities ensure that all required steps are taken to lower risk and help organizations accomplish its objective. Several authors argue that the control activities permeate all organizational levels to make sure that all activities and procedures are recorded (Chalmers et al., 2019). D'Aquila (2013) stressed that when selecting and establishing control activities, management should consider operations, particular characteristics of the organization and the control environment

In a similar vein, Chang et al. (2019) emphasize that management should periodically examine control activities to see if they are still relevant and make any required changes. Fourie and Ackermann (2013) argued that documentation of the planning and implementation of control activities is necessary for accurate monitoring. The study proposes the following hypothesis.

2.7 Risk assessment and organizational effectiveness

Risk assessment is the process of identifying and evaluating threats to an organization's goals (Chen et al., 2020). Chen et al. (2020) argue that risk assessment facilitates the

identification of relevant risks that could affect the achievement of management objectives. Several authors contend that risk attitude and management are essential for organizational effectiveness (Chiu & Wang, 2019; Musah et al., 2022). Similarly, several authors postulate that risk assessment help prioritize specific objectives that have a substantial impact on organizations control systems

De Simone, Ege, and Stomberg (2015) posited that risk assessment is critical in lowering and eliminating the cost of risk while also adding to society's well-being. The study proposes the following hypotheses

2.8 Monitoring of controls and organizational effectiveness

Monitoring entails evaluating the quality of the control systems' functioning (Wali & Masmoudi, 2020). Monitoring of controls ensure effectiveness and efficiency in system operation and design. Several authors postulate that evaluating a system's effectiveness and efficiency on a frequent basis is an essential component of any comprehensive internal control system (Crosman, 2018). In the same vein, several authors assert that monitoring assesses the quality of the controls and their effectiveness in managing identified risks (Dowdell, Klamm, & Andersen, 2020). The study proposes the following hypothesis.

2.9 Empirical Literature

Globally, scholars have consistently demonstrated the link between effective internal control systems and improved performance in non-profit organisations. For instance, Khalil and Ozkan (2021) conducted a quantitative cross-sectional study involving 120 NGOs across the European Union. Drawing on survey and financial performance data,

the authors applied regression models anchored in the COSO framework. Their findings revealed that monitoring and risk assessment were the strongest predictors of donor confidence and operational efficiency. The study concluded that NGOs with robust internal controls are more likely to retain funding and sustain operations. However, the sample largely consisted of large, well-funded NGOs, limiting its relevance to resource-constrained organisations such as GALZ, which operate in more fragile environments.

In South Asia, Sultana et al. (2022) adopted a mixed-methods design combining surveys with in-depth interviews across 200 NGOs in Bangladesh and India. Structural equation modelling (SEM) was employed to test relationships between internal control variables and accountability outcomes. The results demonstrated that effective information and communication systems significantly improved programme accountability and the timeliness of service delivery. The authors concluded that donor reporting systems are critical to enhancing performance. While these findings reinforce the importance of communication, the study has been critiqued for its heavy reliance on donor-centric frameworks, which may undermine the operational flexibility of NGOs. For GALZ, where responsiveness to both donors and marginalised communities is essential, this tension is particularly relevant.

Turning to Africa, Emmanuel et al. (2022) investigated the role of COSO control components in Nigerian NGOs. Using a quantitative design and a sample of 300 staff drawn from 75 NGOs, the study applied multiple regression analysis. Results indicated that all COSO dimensions—control environment, risk assessment, control activities,

information and communication, and monitoring-were positively associated with NGO financial performance. The authors concluded that internal controls are indispensable for NGO sustainability. However, their focus was predominantly on financial outcomes, leaving operational performance indicators such as timeliness and donor trust underexplored. This limitation highlights a gap directly linked to the objectives of the present study, which emphasises operational rather than purely financial performance.

In Kenya, Oyugi et al. (2025) undertook a quantitative explanatory study of 105 NGOs located in Nairobi. Using regression techniques, the researchers examined the effect of four categories of controls-preventive, detective, directive, and managerial—on financial efficiency. Their findings showed that preventive controls had the strongest impact, with the overall model explaining 64.45 percent of the variability in NGO performance. The study concluded that strengthening preventive and detective measures reduces losses and improves efficiency. While methodologically rigorous, the study measured efficiency mainly in financial terms, offering limited insights into broader operational indicators such as donor confidence and programme delivery. This critique is central to the current study, which seeks to capture the holistic dimensions of operational performance in NGOs.

Cameroon presents further evidence through a qualitative case study conducted by Tegoue et al. (2022), which examined 20 NGOs in Buea subdivision. Using semi-structured interviews and thematic analysis, the authors found that while control environments and communication systems were generally in place, monitoring and

enforcement mechanisms were inconsistent and weak. They concluded that resource shortages and lack of oversight undermined the effectiveness of internal controls, thereby limiting NGO performance. Although this study provides rich contextual insights into the challenges of internal control enforcement, it lacks quantitative data to demonstrate the magnitude of the relationship between controls and performance outcomes. Its findings, however, resonate strongly with the Zimbabwean context, where many NGOs, including GALZ, face similar resource constraints.

Closer to Zimbabwe, World Bank (2021) carried out a public expenditure review that included partnerships between NGOs and the state in the health sector. The review documented widespread weaknesses in accountability and internal control mechanisms, which undermined both donor confidence and programme outcomes. The analysis concluded that reforming control systems was necessary for sustainability. While insightful, the review was primarily institutional and macro-level, providing little detail about the functioning of individual NGOs. For the purposes of this dissertation, the limitation underscores the need for organisation-specific evidence at GALZ.

More recently, Chigumba and Mutsau (2023) conducted a quantitative survey of 58 NGOs in Zimbabwe, gathering responses from 200 staff members across finance and programme units. Using regression analysis and confirmatory factor analysis (CFA), they found that deficiencies in monitoring and communication led directly to project delays and weakened accountability. The authors concluded that weak internal controls undermine both efficiency and donor trust. This finding directly supports the problem

statement of this dissertation, though the study's design lacked qualitative depth to unpack the mechanisms through which these weaknesses manifested.

Complementing this, Nyamadzawo (2021) used a mixed-methods design involving interviews and document reviews across 15 NGOs in Zimbabwe. Through content analysis, the study found that communication gaps within NGOs often created inefficiencies, delays, and donor frustration. The study concluded that information and communication systems are key to improving operational efficiency. Its relevance to the present research is clear, as GALZ has historically faced challenges in ensuring timely and transparent communication with donors. Nevertheless, the study examined only one dimension of the COSO framework, leaving other critical components such as risk assessment and monitoring underexplored.

Taken together, the empirical evidence from global, regional, and Zimbabwean contexts underscores the pivotal role of internal control systems in shaping NGO performance. However, the majority of studies focus either on financial performance or on isolated control components, leaving significant gaps in understanding the holistic relationship between internal controls and operational outcomes. Additionally, there is a scarcity of organisation-specific studies in Zimbabwe, particularly those employing mixed-methods designs that integrate both quantitative associations and qualitative explanations. This dissertation addresses these gaps by applying the COSO framework to GALZ, thereby providing comprehensive and contextualised evidence on the impact of financial internal control effectiveness on operational performance.

2.10 Conceptual Framework

The conceptual framework for this study is anchored in the COSO Internal Control–Integrated Framework (2013), which remains the most widely accepted standard for evaluating the design and effectiveness of internal control systems. COSO identifies five interrelated components; control environment, risk assessment, control activities, information and communication, and monitoring that collectively form the foundation for achieving organisational objectives. In the context of NGOs, and specifically GALZ, these components are hypothesised to influence operational performance outcomes such as timeliness of programme delivery, efficiency in resource utilisation, accountability to donors and beneficiaries, and the overall credibility that sustains donor confidence.

The control environment refers to the ethical tone, governance structures, and leadership practices that shape how internal controls are implemented. A strong control environment, characterised by ethical leadership and clear lines of authority, fosters accountability and reduces opportunities for mismanagement. Recent NGO studies (Emmanuel et al., 2022; Oyugi et al., 2025) have shown that organisations with a supportive control environment deliver programmes more efficiently and maintain higher levels of donor trust.

Risk assessment involves the systematic identification and evaluation of potential threats to achieving organisational objectives. For NGOs, this includes financial risks such as fraud or misappropriation, as well as operational risks such as delays in donor

disbursements or political interference. Research has demonstrated that NGOs with structured risk assessment practices are better able to anticipate and mitigate disruptions, resulting in more timely and effective service delivery (Chigumba & Mutsau, 2023). In this framework, risk assessment is expected to enhance efficiency by ensuring resources are allocated to areas of greatest vulnerability.

Control activities consist of the policies, procedures, and mechanisms that enforce compliance with financial and operational standards. These include authorisations, reconciliations, and segregation of duties. Effective control activities have been found to directly improve accountability and safeguard resources (Sultana et al., 2022). However, studies also caution that overly rigid control procedures may reduce organisational flexibility (Tegoue et al., 2022). The present framework thus assumes that well-designed, consistently applied control activities contribute positively to operational performance at GALZ, but recognises that excessive bureaucratisation may undermine responsiveness.

Information and communication refer to the systems through which financial and operational data are shared internally and externally. Transparent and timely communication is critical in NGOs, where donor confidence is contingent upon accurate reporting and disclosure. Empirical evidence suggests that weak communication channels are among the most common causes of inefficiency and donor mistrust in African NGOs (Nyamadzawo, 2021). Within the framework, information

and communication are therefore posited to have a direct influence on both accountability and donor confidence.

Monitoring encompasses the continuous review and evaluation of internal control systems. This includes internal audits, supervisory reviews, and follow-up on recommendations. Monitoring ensures that deficiencies are identified and corrected in a timely manner. Studies across Sub-Saharan Africa have consistently found monitoring to be one of the strongest predictors of NGO performance (Osei-Tutu, 2023; Oyugi et al., 2025). In this study's framework, effective monitoring is expected to strengthen all dimensions of operational performance by closing feedback loops and institutionalising learning.

2.11 Research Gap

Despite growing evidence globally and regionally, there remains limited organisation-specific analysis of how internal controls translate into operational performance in Zimbabwean NGOs. Most global studies in recent years, such as Khalil and Ozkan (2021) in Europe and Sultana et al. (2022) in South Asia, demonstrate that robust internal controls are positively associated with accountability, efficiency, and donor confidence. However, these investigations are largely conducted in relatively stable institutional environments and among financially strong NGOs. Consequently, their findings cannot be assumed to apply directly to fragile, resource-constrained contexts like Zimbabwe, where economic volatility, donor fatigue, and political sensitivities fundamentally shape organisational realities. The scarcity of Zimbabwe-specific evidence therefore weakens the ability of both managers and donors to draw

contextually grounded conclusions about the performance implications of internal controls.

Within Sub-Saharan Africa, a number of studies have explored the link between control systems and NGO performance (Tegoue et al., 2022; Oyugi et al., 2025). Yet, the majority of these studies adopt broad sectoral perspectives, often aggregating data from dozens of organisations across different mandates and funding models. While such breadth allows for generalisations, it obscures the organisation-specific dynamics through which controls shape outcomes in practice. For instance, the challenges facing a human rights advocacy NGO such as GALZ differ substantially from those of humanitarian or health service delivery NGOs. The absence of single-organisation case studies limits insight into how control systems are enacted, contested, and experienced within particular NGOs, and how these processes influence operational effectiveness on the ground.

Methodologically, existing literature also exhibits important limitations. The majority of studies are quantitative, relying on cross-sectional surveys to establish associations between internal control components and performance indicators (Emmanuel et al., 2022; Chigumba & Mutsau, 2023). While such approaches generate valuable statistical evidence, they often reduce complex governance processes to numerical scores, failing to capture the lived experiences of staff, auditors, and managers. Few studies adopt mixed-methods designs that integrate quantitative testing with qualitative exploration of mechanisms. As a result, the causal pathways through which internal controls affect operational outcomes remain underexplored. This methodological gap is particularly

significant in NGO contexts, where performance is shaped not only by formal systems but also by informal practices, donor relationships, and socio-political constraints (Osei-Tutu, 2023).

A further gap in the literature concerns the conceptual framing of internal controls. Much of the existing work privileges compliance-driven perspectives, emphasising internal controls as mechanisms for satisfying donor requirements or preventing fraud (World Bank, 2021). While important, this perspective risks treating controls as external impositions rather than strategic organisational resources. Recent governance scholarship emphasises the need to view internal controls through the lens of the Resource-Based View (RBV), recognising them as intangible assets that can enhance credibility, improve efficiency, and provide NGOs with sustained competitive advantage in securing donor support (Sultana et al., 2022). The neglect of this strategic dimension has left a conceptual gap that this study seeks to address.

Taken together, these gaps highlight the need for a study that is organisation-specific, methodologically plural, and conceptually expansive. By applying the COSO Internal Control–Integrated Framework to GALZ, this research integrates quantitative surveys with qualitative interviews, situates findings within Zimbabwe’s volatile socio-economic context, and interprets internal controls not only as compliance tools but also as strategic levers for sustainability. In doing so, it addresses the paucity of contextualised, mixed-methods evidence on how internal control effectiveness influences NGO operational performance in fragile economies.

2.12 Chapter Summary

This chapter reviewed theoretical frameworks underpinning internal control studies, including COSO, agency, stewardship, institutional, and RBV theories. It then synthesised empirical evidence from global, regional, and Zimbabwean contexts, highlighting the consistent association between robust internal controls and enhanced NGO performance. However, gaps remain in organisation-specific and mixed-methods evidence within Zimbabwe. The conceptual framework developed for this study posits that the five COSO control components positively influence operational performance, moderated by contextual factors. The next chapter outlines the methodology adopted to empirically investigate these relationships.

CHAPTER 3 METHODOLOGY

3.1 Introduction

This chapter outlines the methodological approach employed to examine the relationship between financial internal control effectiveness and operational performance at GALZ. It discusses the philosophical orientation of the study, the research design and approach, the target population and sampling strategy, the data collection instruments, and the analytical procedures. In line with doctoral-level research standards, this chapter also critically addresses issues of validity, reliability, and ethics. The overall aim is to provide a transparent and rigorous account of how data was gathered, analysed, and interpreted in order to ensure the credibility and robustness of the findings.

3.2 Research Design

The study adopts a mixed-methods single-case study design. A case study is appropriate because it enables in-depth exploration of internal controls within the organisational context of GALZ, thereby capturing dynamics that might be overlooked in large-scale surveys (Yin, 2018). The mixed-methods element reflects the pragmatist stance by integrating quantitative surveys with qualitative interviews. Quantitative methods are useful in statistically testing hypotheses derived from the COSO framework, while qualitative methods allow for exploration of organisational culture, donor expectations, and implementation challenges. Similar mixed-methods designs have been successfully employed in NGO studies in Sub-Saharan Africa, yielding richer insights than either approach alone (Emmanuel et al., 2022; Oyugi et al., 2025).

3.3 Population and Sampling

The population of this study comprised all finance, programme, and operations staff at GALZ, alongside external auditors and selected stakeholders who play a role in the organisation's accountability processes. GALZ has an estimated staff complement of 36 individuals and approximately 64 stakeholders, making it a relatively small organisation in terms of human resources. The total population was 100.

3.3.1 Sampling Technique

To ensure that different perspectives within the organisation were adequately captured, the study employed a stratified random sampling technique for the quantitative strand. The population was divided into three strata, finance staff, programme managers, and support staff, reflecting the functional divisions most relevant to internal control processes. From this stratification, a target sample of 60 respondents was identified. While the organisation's size limited the absolute number of respondents, the sample design ensured proportional representation across the strata, thereby increasing the reliability of the results.

Furthermore, the target aligns with recommendations in methodological literature, which emphasise that regression and factor analysis require a minimum sample size of 100–150 cases in larger populations, but that smaller samples may be justified when the population itself is limited and sampling techniques maximise representativeness (Hair et al., 2022; Saunders et al., 2019).

For the qualitative strand, a purposive sampling strategy was adopted to ensure that participants possessed direct and relevant knowledge of financial internal control

practices. 20 participants were selected, including finance officers, senior programme managers, and external auditors and stakeholders. This approach is consistent with the logic of qualitative inquiry, which prioritises information-rich cases over numerical representativeness (Creswell & Creswell, 2020). Similar studies in NGO governance have employed purposive sampling of financial and managerial staff to explore control processes in depth, with sample sizes of 10–20 participants shown to be adequate for generating rich thematic insights (Nyamadzawo, 2021; Osei-Tutu, 2023). By combining stratified random sampling for the quantitative survey with purposive sampling for the qualitative interviews, the study ensured both breadth and depth of evidence, thereby enhancing the robustness of the mixed-methods design.

3.3.2 Sample Size

According to Saunders (2019), a sample that represents the population fairly and accurately should be about 10 to 20% of the population. Therefore, the sample was comprised of at least 100 to 150 stakeholders in study. In this study, borrowing from Saunders (2019) the sample size would be 60.

Table 3.1 Population and Sampling Metrics- Quantitative

<u>Respondent</u>	<u>Population</u>	<u>Sample</u>
Finance Manager	1	1
Finance Officers	2	2
Administrative Officer	1	1

Monitoring & Evaluation Officer	1	1
Program Coordinator	1	1
Program Manager	1	1
Project Officers	6	6
Executive Director	1	1
GALZ Board	9	3
GALZ Donors	10	5
External Auditors	2	2
External Assessor	1	1
GALZ beneficiaries\ Members	64	27
Total	100	52

Table 3.2 Population and Sampling Metrics- Qualitative – Focus Group

Discussion

<u>Respondent</u>	<u>Population</u>	<u>Sample</u>
Finance Manager	1	0
Finance Officers	2	2

Administrative Officer	1	1
Monitoring & Evaluation Officer	1	1
Program Coordinator	1	1
Program Manager	1	0
Project Officers	6	6
Executive Director	1	0
GALZ Board	9	0
GALZ Donors	10	0
External Auditors	2	1
External Assessor	1	0
Total	36	14

Table 3.3 Population and Sampling Metrics- Qualitative – In- Depth Interviews

<u>Respondent</u>	<u>Population</u>	<u>Sample</u>
Finance Manager	1	1
Finance Officers	2	0
Administrative Officer	1	0

Monitoring & Evaluation Officer	1	1
Program Coordinator	1	0
Program Manager	1	1
Project Officers	6	0
Executive Director	1	1
GALZ Board	9	1
GALZ Donors	10	1
External Auditors	2	0
External Assessor	1	0
Total	36	6

3.4 Data Collection Instruments

The study will use a mixed-methods approach, employing a variety of research instruments to collect both quantitative and qualitative data.

To gather quantitative data, structured questionnaires will be used to survey participants on their perceptions of financial controls and operational performance.

To gain in-depth, qualitative insights, semi-structured interviews will be conducted with key stakeholders, including the GALZ personnel, GALZ board and external auditors.

There will be review of financial and audit reports to provide objective evidence of control effectiveness, compliance and performance metrics.

Direct observation of financial processes will offer first hand insights into operational efficiency and the practical application of internal controls

The data collection instrument to be used for quantitative data collection will be a structured questionnaire with a five-point Likert scale. These will enhance collection of objective data. The scale will extend from strongly agree, agree, neutral, disagree and strongly disagree to the idea presented (Rosaria et al., 2020). Every one of the five responses will be appointed a mathematical worth which will be utilized to quantify the idea presented.

3.5 Data Collection Procedure

3.5.1 Quantitative Data

The data collection procedure is a systematic, multi-step process. First, approvals from GALZ management are secured. Next, study participants are identified, and research instruments like questionnaires and interview guides are developed. Data is collected using these instruments, along with semi-structured interviews, document analysis, and direct observation. The collected data is then managed with strict confidentiality,

validated for accuracy, and analysed using statistical and qualitative tools to draw conclusions.

Quantitative data for this study was collected through a structured questionnaire, which served as the primary instrument for measuring perceptions of financial internal control effectiveness and operational performance at GALZ. The questionnaire was carefully designed around the five COSO dimensions control environment, risk assessment, control activities, information and communication, and monitoring ensuring alignment with a globally recognised internal control framework. Each dimension was operationalised into multiple items measured on a five-point Likert scale ranging from “strongly disagree” to “strongly agree.” This approach enabled the study to capture nuanced variations in respondents’ attitudes and perceptions while maintaining consistency across constructs.

In addition to internal controls, the questionnaire also required respondents to rate operational performance using four indicators particularly relevant to NGO contexts: efficiency, accountability, timeliness, and donor confidence. Efficiency captured the optimal use of resources in delivering services, accountability referred to compliance with financial and operational obligations, timeliness assessed the ability to meet deadlines for project activities and reporting, and donor confidence reflected the trust and credibility enjoyed by GALZ in the eyes of its funding partners. Together, these measures provided a multidimensional view of organisational performance, directly linked to the effectiveness of internal controls.

The use of structured questionnaires is consistent with recent empirical studies on NGOs that have applied survey-based instruments to assess internal control systems. For example, Chigumba and Mutsau (2023) demonstrated that surveys provide a reliable means of gauging perceived effectiveness of controls and their impact on programme outcomes. The structured nature of the instrument also ensured standardisation, reducing interviewer bias and allowing for statistical testing of hypotheses through regression and factor analysis. By designing the questionnaire around a theoretically robust framework and validated constructs, the study ensured that the quantitative data collected was not only reliable but also directly applicable to answering the research questions and testing the conceptual model.

3.5.2 Qualitative Data

Qualitative data for this study were collected through semi-structured interviews with purposively selected staff members and auditors, chosen for their direct involvement in financial management and oversight functions within GALZ. This purposive approach ensured that participants possessed the relevant knowledge and experience to provide meaningful insights into the effectiveness of internal controls. The interview guide was developed based on gaps identified in the literature, with particular emphasis on exploring participants' perceptions of control processes, the practical challenges encountered in implementing these controls, and the pressures exerted by donor accountability requirements. By aligning the guide with both theoretical constructs and empirical gaps, the study ensured that the interviews would generate data of high relevance and depth.

To maintain ethical and methodological rigour, interviews were conducted in confidential settings, allowing respondents to speak openly without fear of reprisal or reputational harm. Each session was audio-recorded with the participants' consent and later transcribed verbatim, ensuring that the richness of respondents' narratives was preserved for analysis. This process also enhanced the accuracy of coding and interpretation during thematic analysis. The flexibility of the semi-structured format allowed for probing beyond predefined questions, enabling the researcher to capture unanticipated insights into how financial controls operate in practice and how they are shaped by contextual factors such as political sensitivities and donor demands.

This approach is consistent with established practices in NGO governance research, where interviews have been shown to provide rich, contextual insights into how internal controls are understood and experienced at the operational level. For instance, Nyamadzawo (2021) highlighted the value of interviews in uncovering communication bottlenecks in Zimbabwean NGOs, while Osei-Tutu (2023) demonstrated their effectiveness in exploring accountability mechanisms in Ghanaian civil society organisations. In line with these precedents, the interviews conducted for this study offered an in-depth understanding of the human and organisational dimensions of internal control effectiveness, complementing the structured, statistical insights derived from the quantitative survey.

3.6 Data Collection Procedure

3.6.1 Quantitative Data

The data collection procedure is a systematic, multi-step process. First, approvals from GALZ management are secured. Next, study participants are identified, and research instruments like questionnaires and interview guides are developed. Data is collected using these instruments, along with semi-structured interviews, document analysis, and direct observation. The collected data is then managed with strict confidentiality, validated for accuracy, and analysed using statistical and qualitative tools to draw conclusions.

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3.6.2 Qualitative Data

Qualitative data for this study was collected through semi-structured interviews and focus group discussions with purposively selected staff members and auditors, chosen for their direct involvement in financial management and oversight functions within GALZ. This purposive approach ensured that participants possessed the relevant knowledge and experience to provide meaningful insights into the effectiveness of

internal controls. The interview guide was developed based on gaps identified in the literature, with particular emphasis on exploring participants' perceptions of control processes, the practical challenges encountered in implementing these controls, and the pressures exerted by donor accountability requirements. By aligning the guide with both theoretical constructs and empirical gaps, the study ensured that the interviews would generate data of high relevance and depth.

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offered an in-depth understanding of the human and organisational dimensions of internal control effectiveness, complementing the structured, statistical insights derived from the quantitative survey.

3.7 Analysis and Organisation of Data

Data will be analyzed using SPSS statistical package. The study will make use of tables, pie charts and graphs to present data. Verbatim analysis will be utilized for qualitative data. Data presentation and analysis procedures are facts and figures put together in order to present, analyze and interpret the data. Data will be presented in form of tables and figures such as bar and pie charts. Percentages will be used to analyze the data.

The analytical strategy for this study combined rigorous quantitative techniques with systematic qualitative analysis, reflecting a commitment to methodological robustness and the logic of mixed methods inquiry academic writing. On the quantitative side, data were analysed using SPSS and Stata, beginning with descriptive statistics to establish respondent profiles and to summarise patterns across the five COSO dimensions. This stage provided a foundational understanding of how participants perceived internal control effectiveness within GALZ. Reliability was then assessed through Cronbach's alpha coefficients, with values of 0.70 and above deemed acceptable as per the criteria of Hair et al. (2022). This step ensured that the constructs measured—such as monitoring, risk assessment, and control activities—were internally consistent and suitable for inferential analysis.

The qualitative analysis was conducted thematically using NVivo software, following a structured three-stage coding process. Open coding was first applied to fragment the

data into discrete categories based on participants' language and meanings. This was followed by axial coding, which linked categories into broader patterns by identifying causal conditions, interactions, and consequences. The final stage, selective coding, refined these patterns into coherent themes that spoke directly to the study's research questions. To maintain rigour, reflexive memoing was used throughout the coding process, enabling the researcher to interrogate assumptions and document analytical decisions. Additionally, member-checking was carried out, whereby themes were validated with selected participants to ensure that interpretations accurately reflected their lived experiences and organisational realities.

The integration of quantitative and qualitative strands was achieved through the use of joint displays, an advanced technique in mixed methods research that juxtaposes statistical results with thematic insights. As recommended by Fetters and Freshwater (2021), this approach facilitated the identification of convergence, where both strands supported similar conclusions (e.g., the significance of monitoring and risk assessment), complementarity, where qualitative insights elaborated or explained statistical results (e.g., reasons behind weak enforcement of control activities), and divergence, where discrepancies revealed deeper organisational tensions (e.g., the mismatch between positive ratings of communication and qualitative reports of feedback bottlenecks). This integrative strategy not only strengthened the validity of findings but also produced a holistic, contextually grounded account of how financial internal controls shape operational performance at GALZ.

3.7.1 Validity and Reliability

To ensure the validity and reliability of the study's findings, several methodological strategies were systematically employed, reflecting best practices in advanced governance and management research. Content validity was first established through an expert review process, where the questionnaire and interview guide were examined by both academics in accounting and governance as well as practitioners in NGO financial management. Their feedback ensured that the instruments adequately captured the theoretical constructs of the COSO framework while remaining contextually relevant to the operational realities of NGOs in Zimbabwe.

Beyond content validity, construct validity was rigorously tested through Confirmatory Factor Analysis (CFA). This step evaluated whether the observed variables accurately represented the underlying theoretical constructs. Reliability was addressed using both Cronbach's alpha and composite reliability (CR) scores. Cronbach's alpha values exceeding 0.70 confirmed internal consistency across items, while composite reliability provided a more stringent test of scale stability across different contexts.

These strategies collectively demonstrate a multi-layered approach to validity and reliability, combining expert judgment with advanced statistical techniques. They align with recent methodological recommendations in governance research (Hair et al., 2022), which emphasise the importance of triangulating multiple indicators of measurement quality. As such, the study's results rest on a solid methodological foundation, providing confidence that the findings accurately reflect the effectiveness of financial internal controls and their influence on operational performance at GALZ.

3.8 Ethical Considerations

Ethical clearance for the study was secured from the Africa University Research Ethics Committee (AUREC), ensuring that all research activities adhered to established ethical standards. All respondents provided informed consent, and participation was strictly voluntary, with participants free to withdraw at any stage without consequence. To protect confidentiality, responses were fully anonymised and data was reported in aggregate form, preventing the identification of individual participants or departments. Recognising the sensitivity of GALZ's advocacy role within Zimbabwe's socio-political environment, special care was taken to safeguard participants from both political and reputational risks. This included ensuring that interviews were conducted in safe, private settings and that all digital data—including transcripts and recordings—were stored securely and password-protected. These ethical safeguards were consistent with best practice in NGO research ethics (Resnik, 2021) and were designed to uphold participant dignity, autonomy, and safety while preserving the integrity of the research process.

3.9 Chapter Summary

This chapter has presented the methodological framework for the study, grounded in pragmatism and operationalised through a mixed-methods case study of GALZ. The population, sampling strategy, instruments, and analytical techniques were carefully selected to align with the research objectives and to ensure validity and reliability. Quantitative data was analysed through factor analysis and regression, while qualitative insights were captured through thematic analysis. Ethical considerations were

integrated throughout. The next chapter presents the results and analysis of the data collected.

CHAPTER 4 DATA PRESENTATION, ANALYSIS, AND INTERPRETATION

4.1 Introduction

This chapter presents the results of the study on the impact of financial internal control effectiveness on operational performance at GALZ. The analysis integrates quantitative data derived from structured questionnaires with qualitative insights from interviews and documentary reviews. The findings are presented in line with the objectives of the study. The study findings covered the five COSO internal control components which are; control environment, risk assessment, control activities, information and communication, and monitoring before synthesizing them into overall interpretations.

4.2 Frequencies of Demographics

Demographics

The respondents were asked about their position in the organisation and their length of service at GALZ. The results were tabulated in Table 4.1 below.

The study results showed that 43.75% of the respondents were program officers, 25% were in the finance and administration department, 12.50% were management and monitoring and evaluation department personnel, and 18.75% were board members, external auditors, or external assessors. This shows that the study respondents were representative of the various departments in the GALZ organisation.

The study was represented by both external and internal stakeholders. Internal stakeholders accounted for 77.8% of the study respondents, and external stakeholders for 22.2%.

Table 4.1: Frequencies on Position and Service Length

Category	Role	Internal Stakeholder (n)	External Stakeholder (n)	Total (N)	Percentage (%)
Programs Staff	Programs Officer/Coordinator/Manager	7	0	7	43.75%
Finance & Admin	Finance Officer, Admin Staff, F&A Manager	4	0	4	25.00%
Management & M&E	Executive Director, M&E Officer	2	0	2	12.50%
Governance & External	Board Member, External Auditor, External Assessor	2	1	3	18.75%
Total		15	1	16	100%

The study gathered information on the tenure of respondents. The results are presented in the pie chart below.

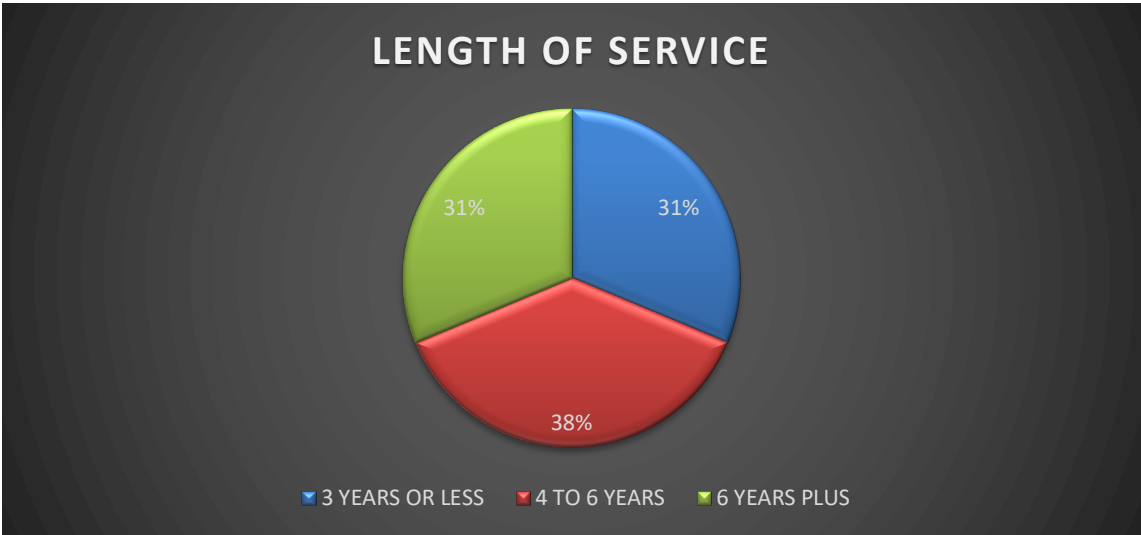


Figure 4.1 Length of Service

The study findings further gathered that of the respondents, 31% has 3 or less years working at GALZ, 38% of the respondents have between 4 and 6 years working at GALZ and 31% of the respondents have more than 6 years working at GALZ. The results show that the respondents had vast experience working at the organisation under study. Therefore, they have rich information that will enhance the study's reliability.

4.3 Assessment of GALZ's Internal Control Environment and Key Activities

The study gathered information on GALZ Financial Control Environment and Key Activities.

The study found that all respondents agreed that GALZ has clear policies and procedures for financial management. This finding shows that the organisation adhered to the COSO framework and has a formalised control environment. Furthermore, the study found that 86.7% of respondents felt they had been adequately trained to adhere

to the organisation's financial controls, whilst 13.3% felt they had not been adequately trained to use the organisation's financial controls.

In terms of adherence to the financial controls in place in the organisation, 66.7% of the respondents gave a 4-star rating that the organisation adheres to the financial controls in place, 16.7% of the respondents gave a 5-star rating that the organisation adheres to financial controls in place, whilst 16.6% of the respondents gave a 3-star rating on this notion.

The study also found that 50% of the respondents agreed that financial internal controls are reviewed and updated when the need arises, and 50% agreed that they are reviewed and updated after every review and assessment. This indicates an effort to maintain current internal financial controls in the organisation.

Table 4.2: Assessment of GALZ's Internal Control Environment and Key Activities

Control Statement	Total Respondents (N=16)	"Yes" Responses (n)	Compliance Percentage	Consensus Level
Clear policies for financial management exist	52	52	100%	Universal
Documented procedures for handling cash exist	52	52	100%	Universal

Bank reconciliations are performed and reviewed	52	52	81.25%	High
Controls minimize risks and errors	52	52	100%	Universal
Capacity to scale operations effectively	52	52	100%	Universal

For bank reconciliations at GALZ, 72.2% of the respondents highlighted that they are performed regularly and reviewed by an independent person. 16.7% of respondents indicated that this is sometimes done, and 11.1% stated that there was no such thing in their organisation. All respondents agreed that documented procedures exist for handling cash and other liquid assets.

Overall, the study found that GALZ has a sound financial internal control system.

4.4 Effectiveness of Financial Internal Controls at GALZ

The study sought to analyse the effectiveness of GALZ's internal financial controls. The respondents were asked to indicate using a Likert scale how much they agreed with the statements given. Descriptive statistics were utilised to present the research findings.

Table 4.3: Descriptive Statistics on Internal Control Effectiveness

Item	N	Mean	Standard Deviation
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Effectiveness of financial internal controls at GALZ	52	4.11	1.091
Financial transactions are properly authorized and approved	52	4.56	1.124
Financial Records are accurately maintained	52	4.22	1.013
Financial records are timely recorded and maintained	52	4.06	1.001
Regular audits and reviews of financial statements are conducted	52	4.67	1.234

The study analyzed the effectiveness of internal controls at GALZ. The mean score for this notion was 4.11, showing that respondents strongly agree that internal controls at GALZ are effective. This shows that the respondents have great confidence in the system. The mean score for “financial transactions are properly authorized and approved” was 4.56, indicating strong positive agreement that GALZ financial transactions are controlled. The mean score for financial statements accurately maintained was 4.22, indicating strong positive agreement with the notion that the organisation accurately maintains its financial records. The respondents were asked to indicate if the records were timely recorded and maintained; there was a strong positive response to this notion, with a mean score of 4.06. The study further gathered that there was a strong positive response that regular reviews and audits of financial statements

were done at GALZ, evidenced by a mean score of 4.67. The study findings, above all, showed a mean score above 4.00 and fell within the strongly agree Likert scale. Therefore, it shows that the study found financial internal controls at GALZ to be effective.

4.5 Impact of Control Activities

Table 4.4 Descriptive Statistics on Impact of Financial Internal activities

Impact Statement	Overall Mean	Programs/M&E/Admin Mean	Governance/ External Mean	Perceived Impact Level
Financial Internal controls have a positive impact on GALZ's operational	4.00	4.20	3.67	Agree (High)
Financial internal controls enhance program/service delivery.	3.94	4.10	3.67	Moderate-High
Resources were allocated effectively to achieve operational goals	4.20	4.20	4.20	
Programs and services are being delivered efficiently and effectively	3.00	3.20	3.67	

The data analysis for this section helps to identify how control activity contribute to the financial performance at GALZ. The analysis of the financial performance was assessed by using means and standard deviations from the results.

The table below summarizes the perceived impact of financial internal controls on operational performance as from study respondents. The study sought to gather data on whether the resources, such as staff, equipment, and funding, were allocated effectively to achieve operational goals. The descriptive statistics are shown in Table 4.4. The overall mean score was 4.00, showing a strong positive response that resources were allocated effectively to achieve operational goals. Furthermore, the study revealed that GALZ has the capacity to scale its operations effectively, as shown by a mean score of 4.20. The study sought to determine whether GALZ's programs and services are being delivered efficiently and effectively, and the results indicated a positive response, with an overall mean score of 3.00. This shows a positive response that programs and services at GALZ are being delivered effectively and efficiently.

Item	N	Mean	Standard Deviation
Our institution has effective information and communication channels	52	3.9222	0.91594
Our institution has invested in modern and efficient information and communication technologies (computers, internet, and other systems)	52	3.9167	0.91803

Our institution has the adequate transfer of information	52	3.8778	0.97543
Our institution has an excellent record of transactions	52	3.6111	0.94284
Effective flow of information and communication enhances financial accountability	52	4.0111	0.93348

4.5.1 Descriptive Statistics on information and communication

Effective flow of information and communication enhances financial accountability with a highest means of 4.0111 and STD of 0.93348, institution has effective information and communication channels with the second highest means of 3.9222 and STD of 0.91594, Our institution has invested in modern and efficient information and communication technologies (computers, internet, and other systems) having a mean of 3.9167 and STD of 0.91803 and STD of 0.92710 respectively. On the other hand our institution has the adequate transfer of information having a means of 3.8778 and STD of 0.97543, our institution has an excellent record of transactions with a means of 3.611 and STD of 0.94284.

4.5.2 Descriptive Statistics on Risk assessment

Item	N	Mean	Standard Deviation
The institution has effective risk assessment tools	52	3.6500	0.9437
The institution has an adequate and effective risk management system	52	3.8500	0.91662

All employees are well trained in risk assessment	52	3.6780	0.93188
Risk assessment has affected the institution's revenue for the last eight years	52	4.06	1.001
Aggregate mean and STD		3.7556	0.91951

The aggregate mean and STD of the statement given to the respondents were 3.7556 and 0.91951 respectively this indicates that respondents are highly agreed on the list statements of Risk Assessment. According to the respondent, the institution has an adequate and effective risk management system (Mean = 3.8500 STD =0.91662), Risk assessment has affected the institution's revenue for the last eight years (Mean = 3.8444 STD =0.88568) respectively. On the other hand all employees are well trained in risk assessment (Mean = 3.678 STD =0.93188) and the institution has effective risk assessment tools (Mean = 3.650 STD =0.94387) respectively. This shows that respondents strongly agree on the risk assessment and internal control elements.

4.6 Multiple Regression Test

The main objective of determining how financial internal controls influence operational performance in non-governmental was achieved through the use of the multiple regression test. Multiple regression analysis was used in this study to determine the linear statistical relationship between the independent and dependent variables. The overall fit of the model and the relative contributions of each independent variable were determined using a multiple regression test. Table 4.5 contains a summary of the model. R^2 is the percentage of response variable fluctuations that the linear model can explain, while

R^2 represents multiple correlation coefficients.

Table 4.5 Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.932a	0.869	0.864	0.499
a Predictors: (Constant), assessment, control, monitoring				

According to the above data, the R^2 value is 0.869, the corrected R^2 is 0.864, and the standard error of estimation is 0.499. The factors in the model, assessment, control, and monitoring, account for 86% of the variation in the dependent variable (organisational performance), according to the modified R^2 of 0.864. Predictor variables not included in the model account for the remaining 14%. As a result, the model offered a good fit. The findings suggest that assessment, control, and monitoring account for 86% of the change in organisational performance, with factors beyond study's variables accounting for the remaining 14%.

4.6.2. ANOVA Tests

To determine whether the regression model was suitable for examining the relationship between the independent and dependent variables, ANOVA tests were performed.

The model in Table 4.6 was found to be appropriate for the regression from the ANOVA table 4.6. A p-value of 0.000, which was less than the study's significance tests f 0.05, indicated this. This was further reinforced by the F-statistic, which was significantly greater than 1 (174.058). The results show that the F-statistic is appropriate for analysing the relationship between the independent and dependent variables. This suggests that the model can be used to interpret the relationship between organisational performance and financial internal control. The results show how well the relationship between the independent and dependent variables was explained by the model overall.

Table 4.6 ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	216.912	5	43.382	174.058	.000b
Residual	32.65	188	0.249		
Total	249.562	193			

a Dependent Variable: organisational performance

b Predictors: (Constant), assessment, control, risk monitoring

4.6.3 Estimated Regression Model

The study used linear regression in SPSS to assess the relationship between internal financial control and organisational performance. The functional form of the model was as follows:

$$y = a + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \beta_4 x_4 \text{ where}$$

y= organisational performance a= Constant

X1= Assessment

X2= Control

Model	Unstandardized Coefficients		Standardized Coefficients		P-value
	B	Std Error	Beta (β)	T Statistic	
(Constant)	0.63	0.27	2.33	0.0117	0.021
Risk Assessment	0.59	0.265	0.28	2.23	0.020
Internal Control	0.64	0.23	0.33	2.67	0.002
Monitoring	0.57	0.12	0.04	4.75	0.004
Information and	0.61	0.22	0.31	2.54	0.003

communication					
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X3 = Monitoring

Table 4.7: Regression and Coefficient of Determination

The factors that were deemed most significant in Table 4.7 had significance levels below 0.05. With p-values < 0.05, it was determined that all variables were significant. These included control (.002), monitoring (0.004), and assessment (0.02).

According to the study's findings, control was the most significant of the explanatory variables, with a beta value of 0.64; in contrast, assessment and monitoring had beta values of 0.59 and 0.57, respectively. The study's conclusions are summed up in Table 4.7 above. After that, the model is produced as follows: Y (Organisational Performance) = 0.63 + 0.59 X1 + 0.64 X2 + 0.57 X3 + e

This shows that for every unit change in assessment, organisational performance is informed at a rate of 0.59 per unit. For every unit change in control and monitoring, an organization's performance would change by 0.64 and 0.57, respectively. The regression analysis's findings demonstrated that assessment, control, and monitoring of financials have a major impact on organisational performance. Thus, the study hypotheses (H1, H2, H3, and H4) were accepted, as indicated in table 4.8 below.

Table 4.8 Hypothesis Assessment Summary Table

Item	Sig. value	t-Statistics	Empirical Conclusion
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Effective risk assessment is positively associated with operational performance.	0.0200	2.230	Accepted
A supportive control environment is positively associated with operational performance.	0.0020	2.670	Accepted
Ongoing monitoring is positively associated with operational performance.	0.0040	4.750	Accepted
Timely and transparent information and communication are positively associated with operational performance.	0.0030	2.540	Accepted

The hypothesis H1, which suggested that effective risk assessment is positively associated with operational performance, was accepted. Likewise, H2, which claims that a supportive control environment is positively associated with operational performance, was accepted. Additionally, H3, which shows ongoing monitoring is positively associated with operational performance, was accepted. H4, which asserts that timely and transparent information and communication are positively associated with operational performance, was accepted.

4.7 Qualitative Analysis of Findings

Thematic analysis was utilised to analyse findings from interviews. The data was gathered and used to analyse the relationship between financial internal controls and operational performance. Pseudonyms were utilised to present findings to uphold the ethical principle of anonymity.

4.7.1 Challenges in delivering programs and services efficiently

The study asked respondents to highlight the various challenges they sometimes face in delivering programs and services efficiently. The following verbatim statements were gathered from the study.

As GALZ staff, some of the key challenges in delivering programs and services efficiently include limited programming resources, which often stretch teams across multiple roles; external factors such as stigma, restrictive policies, and security risks that hinder outreach; and logistical constraints like transport and infrastructure gaps. Additionally, bureaucratic processes can delay implementation, while the demand for services often exceeds the resources available, making it difficult to comprehensively meet community needs (Interviewee 01).

Funding is usually not enough to meet the full needs of our constituency. Sometimes policies clash with members' needs; for example, members who attend an activity may prefer to be given money, say, for lunch, while policy may not align with that need (Interviewee 02).

Zimbabwe's environment is largely hostile to LGBTQ+ initiatives. GALZ faces intense scrutiny, with programs such as billboard campaigns and scholarships for at-risk LGBTQ+ youth often scaled back or halted due to public and governmental pressure. Hostile legislation targeting civil society groups adds to these challenges (Interviewee 03).

Some of the key challenges faced in delivering programs and services efficiently include limited funding and resource constraints, which restrict the scale and

consistency of interventions; staff shortages and high workloads that affect timely service delivery; and logistical barriers such as inadequate infrastructure and technology. In addition, external factors like stigma, political pressures, and regulatory hurdles can hinder smooth operations and outreach (Interviewee 04).

4.7.2 Challenges GALZ faces in delivering programs and services efficiently that might be linked to poor financial internal controls

The study further gathered responses regarding the challenges GALZ faces in delivering program services efficiently, which might be linked to poor financial controls. The following verbatim words were recorded.

Segregation of duties and supervisory controls may need to be improved in fuel receipts, recording, and issuances in vehicle log books to ensure completeness in recording and thus enhance the audit trail (Interviewee 05).

One of the challenges GALZ faces in delivering programs efficiently, linked to internal financial controls, is that delays in fund disbursement or lengthy approval processes can slow activities. At times, procurement procedures and financial reporting requirements can also feel cumbersome, which affects how quickly resources reach the programs. While these measures are important for accountability, they can unintentionally create bottlenecks that impact timely service delivery. Strengthening systems to balance both control and efficiency would help improve program implementation (Interviewee 01).

Timely reporting for strategic purposes is a challenge for the team; therefore, my rating on the question about how financial records are recorded and maintained in a timely manner is moderate. Eventually, things do get done (transactions are recorded) according to the procedure and in line with the policy, but my perception is that it is not always done in a timely fashion. Board reports and quarterly reporting timelines are seldom met (Interviewee 007).

According to the findings, challenges GALZ may face in delivering programs and services efficiently due to weak financial internal controls include: Resource leakages and misuse: Ineffective controls can lead to fraud, misappropriation of funds, or unnecessary expenditures, reducing resources available for core programs. Poor budgeting and cash flow management: Weak planning and monitoring may result in funds not being available when needed, causing delays in service delivery. Inefficient procurement: Without strong controls, procurement may be inflated, delayed, or not aligned to program priorities, undermining efficiency. Weak accountability and reporting: Donors and stakeholders may lose confidence, which can affect future funding and program sustainability.

4.7.2 The Efficiency-Accountability Trade-off (The Bottleneck Challenge)

The most significant operational challenge identified is the tension between strict controls and timely delivery.

Table 4.9: Qualitative Findings on Operational Challenges (The Bottleneck Effect)

Key Qualitative Theme	Stakeholder Source	Key Observation Impact on Efficiency
Fund Disbursement Delays	Programs Officer, Programs Manager, Executive Director	"Delays in fund disbursement or lengthy approval processes sometimes slow down activities." and "Grant disbursements are not always on time..."
Cumbersome Procedures	Programs Officer	"Procurement procedures and financial reporting requirements can also feel cumbersome, creating bottlenecks."
Inter-Departmental Silos	Finance Officer	Specifically cited "Lack of information sharing across departments" as a challenge to efficiency.

4.7.3 Capacity and External Context

The majority of respondents (92%) believe GALZ has the capacity to scale its operations effectively, citing strong community networks, experienced staff, and established governance structures.

External Challenges:

The biggest external barrier highlighted is the hostile socio-political environment in Zimbabwe, including stigma, restrictive policies (PVO Act), and intense scrutiny, which severely affects outreach and program execution.

4.8 Discussion and Interpretation

The assessment confirms that GALZ operates with a fundamentally robust and accountable financial control environment. Stakeholders exhibit high confidence in the system's structural integrity, noting 100% agreement on the existence of clear policies and procedures. Key controls, such as proper authorization (mean score 4.69) and regular audits (4.63), function exceptionally well, which is credited with minimizing fraud risk, ensuring targeted expenditure, and successfully building donor confidence and sustained funding as confirmed by (Oyugi et al., 2025). Furthermore, research has demonstrated that NGOs with structured risk assessment practices are better able to anticipate and mitigate disruptions, resulting in more timely and effective service delivery (Chigumba & Mutsau, 2023).

Despite high marks for accuracy, the system is hindered by a critical weakness in operational speed. The lowest effectiveness rating across the survey was for the timely recording and maintenance of financial records (3.94). This creates a bottleneck felt most acutely by Programs Staff and Board Members. This lack of timeliness manifests in disbursement delays that result in inconsistent fund releases and lengthy approval processes that slow program execution as confirmed from literature by (Osei-Tutu, 2023). Complex procurement and financial reporting requirements divert staff time from core activities. Inter-departmental Silos: A cited "lack of information sharing" between Finance and Programs creates friction and delays. In essence, the system successfully maintains accountability but struggles to achieve high efficiency. This finding is in line with literature from (Tegoue et al., 2022).

The quantitative findings, derived from the mean scores, reveal two dominant themes: Strong Structural Compliance and Challenged Timeliness. The highest mean scores confirm that the foundational elements of the COSO framework are robustly implemented. This "Very High" score indicates strong governance and adherence to segregation of duties, suggesting funds are not dispersed without proper sign-off, which is critical for risk mitigation. This "Very High" score confirms strong oversight, which is vital for donor confidence and external accountability in a sensitive environment. This finding is in line with literature from Khalil and Ozkan (2021), who found that COSO's emphasis on structured monitoring enhanced donor trust in European NGOs, while Chelangat and Sang (2022) highlighted its contribution to financial accountability in Kenyan civil society organisations.

The lowest mean score points directly to the system's operational weakness: Financial Records Timely Recorded. This score is the only one in the 'Moderate-High' range, indicating a noticeable lag in recording and reporting speed. This quantitative finding forms the basis of the study's key challenge: the bottleneck effect.

Respondents consistently reported that controls translate directly into positive program outcomes. Securing Funding: Controls are explicitly credited with building donor confidence, leading to grant renewals. Targeted Spend: The system ensures resources are "directed to priority activities without unnecessary wastage." Risk Reduction: Mechanisms like direct payment to suppliers actively "minimize issues of theft or fraud." This finding was in congruence with the literature and recent evidence that shows that NGOs with stronger monitoring and reporting systems are better able to

retain donor support and avoid funding cuts (Chigumba & Mutsau, 2023). Critics, however, argue that agency theory overemphasizes opportunism and neglects altruistic motivations that often drive NGO managers (Sultana et al., 2022).

The assessment of GALZ's financial internal controls reveals a system that is fundamentally sound and robust, earning generally high ratings from both internal staff and external stakeholders. A significant majority of respondents confirm the existence of clear policies, regular financial oversight, and a positive link between controls and program outcomes. Nevertheless, critics caution that the COSO model may be overly compliance-heavy. Implementing all five components in resource-constrained NGOs can create bureaucratic inefficiencies that divert resources away from programme delivery (Tegoue et al., 2022).

However, the analysis also highlights a crucial tension: while controls ensure accountability and mitigate risk, their complexity, coupled with external pressures, can create bottlenecks that impede the timely and efficient delivery of programs. Key areas for improvement include enhancing the balance between control and efficiency, improving cross-departmental collaboration (especially between Finance and Programs), and leveraging technology for streamlining processes. In line with the literature, effective control activities have been found to directly improve accountability and safeguard resources (Sultana et al., 2022). However, studies also caution that overly rigid control procedures may reduce organisational flexibility (Tegoue et al., 2022).

4.9 The Efficiency-Accountability Trade-off (The Bottleneck)

This is the most critical theme emerging from the interviews, directly explaining the lower timeliness score. Disbursement Delays: Staff cited "Delays in fund disbursement or lengthy approval processes" that "sometimes slow down activities," directly impacting program delivery schedules. Cumbersome Procedures: Procurement and reporting requirements can also feel cumbersome, creating bottlenecks that frustrate programmatic staff. Information Silos: The internal challenge of "Lack of information sharing across departments" (Finance vs. Programs) exacerbates the delays and leads to inefficiencies like "mis-allocation of funds.

4.10 Mixed-Methods Integration

The study's mixed-methods approach successfully integrates quantitative data on what is happening with qualitative data on why it is happening, leading to the central conclusion: GALZ's financial control system is highly effective in accountability but struggles with efficiency.

Alignment of Themes: The quantitative weakness in Timeliness is directly and powerfully explained by the qualitative theme of the "Bottleneck Challenge" (fund disbursement delays, cumbersome procedures). Trade-Off Confirmed: The high scores for structural compliance (Authorization) confirm that controls are strictly enforced (Accountability). In contrast, the qualitative comments confirm that this rigor is often achieved at the expense of speed and ease of service delivery (Efficiency).

4.9 Chapter Summary

Overall, Chapter Four demonstrated that internal control effectiveness at GALZ positively influences operational performance, especially through strong monitoring and proactive risk assessment. In contrast, inconsistent enforcement of control activities and feedback bottlenecks remain barriers to optimal effectiveness.

CHAPTER 5 SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

5.1 Introduction

This chapter analyses the findings from Chapter Four in the context of the study's objectives, hypotheses, theories, and literature review. It explores how GALZ's financial internal controls affect operational performance, draws conclusions, and offers suggestions for future research, practice, and policy.

5.2 Summary of Key Findings

The study's key findings are summarised in this chapter, together with a thorough analysis of their implications for NGO governance in VUCA environment.

5.2.1 Internal Control Environment and Activities

The study found that GALZ has clear policies and procedures for financial management. The organisation has a formalised control environment that adheres to the COSO framework. The near-universal accord on clear rules and effective structural controls confirms the efficacy of GALZ's Control Environment and Monitoring operations. The high scores from study findings, which are supported by qualitative data on Securing Funding and Risk Reduction, suggest that donor confidence is safeguarded because strict adherence to authorisation and frequent audits serve as the main means of preserving trust with external donors, which is crucial to surviving in a politically sensitive and donor-dependent NGO environment.

GALZ has successfully prioritised the safeguarding of resources, ensuring that funds are "directed to priority activities without unnecessary wastage." This focus on accuracy and risk reduction coincides with the high-stakes setting where any financial blunder could draw harsh external scrutiny.

5.2.2 Effectiveness of Control Activities at GALZ

The study's most crucial finding is the struggle between control and efficiency, as reflected in the mean scores on timeliness challenges. This numeric dip is powerfully explained by the qualitative themes of the "Bottleneck Challenge" on Control Activities vs. Program Delivery. Program workers have reported "cumbersome procedures" and "lengthy approval processes" due to strict restrictions, despite their necessity. Fund Disbursement Delays are the outcome, which forces program execution into a faster, less efficient phase. This reveals a failure in the design or execution of Control Activities to balance rigour with responsiveness sufficiently.

A major flaw in the COSO framework's Information and Communication component is evident in the staff's "Lack of information sharing across departments" and the requirement for Budget Variance Reports (BVRs). On-time reporting to the Board is affected by conflicts, delays, and poor strategic alignment stemming from silos between the Finance and Programs departments. The method for policy reviews, which is mostly "reactive/event-driven" rather than proactive, implies that the Risk Assessment component does not foresee and reduce the risk of inefficiency. The company is not well prepared for operational speed risk, but it is well prepared for fraud

risk. Therefore, inasmuch as the organisation has sound control measures, the efficiency of the same is not sound.

5.2.3 The Impact of Financial Internal Control on Operational Performance

The study findings revealed that financial internal controls positively influence operational performance. Program service delivery can be enhanced by sound financial internal controls. Effective resource allocation can be achieved through financial internal control mechanisms, which can then enhance operational performance.

5.3 Implications of the Findings

The main finding is that controls are strong in accountability but weak in efficiency. This has profound implications for GALZ, the NGO sector, and academic theory, particularly in politically sensitive, resource-constrained environments.

5.3.1 Implications for GALZ's Operational Effectiveness

According to the study findings, the control system is now an internal barrier to mission delivery even while it shields GALZ from external threats. Program officers' capacity to provide prompt and efficient services is directly jeopardised by the bottleneck effect, which includes lengthy procedures and delayed payouts. This trade-off risks weakening staff morale and undermining credibility with the beneficiary population, thereby turning financial internal control into a self-imposed operational obstacle.

The present inefficiencies imply that growth fails, notwithstanding the staff's perception of a high capacity to scale. Instead of improving service, scaling up a slow

system would just increase the delays and silos, resulting in systemic failure and a breakdown in communication. The organization must consider financial controls not simply as a compliance obligation for audits, but as a strategic enabler. This requires management to proactively re-engineer the financial flows to prioritize speed without compromising existing rigour.

5.3.2 Implications for NGO Governance and Practice

The findings have extensive implications for non-profit organisations functioning in situations of increased scrutiny, such as Zimbabwe. The study reveals that in resource-scarce and politically sensitive situations, organisations face diminishing returns from excessive control. Beyond a certain point, the marginal gain in accountability is balanced by the marginal loss in operational agility. As a result, streamlined, risk-based controls backed by technology must become the new standard.

The reliance on manual or fragmented systems is a key drawback. The industry has to understand that investing in automation and integrated ERP systems is no longer a luxury but a crucial governance instrument for maintaining high operational velocity and accountability.

5.3.3 Implications for Academic Scholarship

By effectively implementing the COSO framework in a non-profit in uncertain African environments, this research provides empirical validation for employing globally recognised governance models beyond the corporate sector, helping to bridge the gap in current literature.

By highlighting the need to quantify control efficacy across a dual spectrum, risk mitigation (accuracy) and operational flow (timeliness), the work advances theory. Future models should account for the internal friction caused by controls, especially in circumstances where external pressure compels organisations to implement unduly severe, defensive systems.

5.4 Conclusion

The study definitively concludes that GALZ's financial internal controls produce a crucial duality. Although they are uneven and damaging to operational efficiency and timeliness, they are quite effective in accountaensuring responsibility and building donor confidence.

The strong operation of the Control Environment and Monitoring components of the COSO framework is confirmed by the high mean scores for Authorisation and Audits as well as the consensus on explicit policies. In Zimbabwe's delicate political and resource-constrained context, maintaining donor trust and reducing fraud risk are critical to an organization's existence.

The Efficiency-Accountability Trade-off is the system's main flaw. When combined with qualitative information about information silos, laborious procedures, and fund distribution delays, the lowest quantitative grade for timeliness indicates a breakdown in the planning and implementation of control activities and information/communication processes. Although important, strict restrictions have

become roadblocks preventing the constituency from receiving the quick, adaptable program delivery they need.

GALZ must change from a reactive, defense-focused system to a proactive, technology-enabled, and integrated one in order to overcome the current trade-off and advance toward maximum efficacy. The key to this change lies in modernizing its ERP system, formalizing a policy review to simplify procedures, and enforcing cooperative planning between financial and programming teams.

Overall, the study concludes that strong financial controls at GALZ are not enough; their effectiveness ultimately depends on their regular implementation and simplification to ensure they facilitate timely, successful operational performance rather than impede it.

In sum, the study concludes that the mere presence of robust financial controls at GALZ is insufficient; their ultimate effectiveness hinges on their consistent application and simplification to ensure they enable, rather than hinder, timely and efficient operational performance.

5.5 Recommendations

Based on the findings, the following recommendations are presented to enhance the balance between control and efficiency at GALZ.

5.5.1 Recommendations to GALZ Management

GALZ management should consider implementing the following strategies;

- Automate routine tasks; Implement software for recurring tasks like bank reconciliations, expense approvals, and financial reporting to reduce human error, speed up processing times, and improve data accuracy. Prioritize the full utilisation and update of the existing ERP system across all departments (Finance, Programs, M&E) to automate procedures like reconciliation, financial reporting, and budget tracking. This immediately tackles the poor Timeliness score and removes manual bottlenecks.
- Leverage automation and technology: Instead of relying on sampling, monitor all transactions in real time using AI-powered platforms and data analytics. This makes it possible to identify irregularities, exceptions, or fraudulent activity right away.
- Optimise Control Design and Processes: Instead of implementing strict controls everywhere, it is necessary to use a risk-based strategy and concentrate resources on high-risk sectors. A personalised strategy ensures controls are appropriate, cost-effective, and efficient for individual processes.
- Formalize Proactive Policy Review: Establish a required, senior-management-led annual control review schedule. This evaluation must specifically focus on streamlining procurement processes and reporting requirements to reduce the "cumbersome" feeling without sacrificing control.

- Establish Mandatory Joint Planning and Review Meetings (e.g., weekly or bi-weekly) between Finance, Programs, and M&E heads to align priorities and share anticipated activities.
- Implement a Policy for Timely BVR Submission (Budget Variance Reports) to program leads to address the "mis-allocation of funds" challenge.
- Invest in Tiered, Practical Training: Develop role-specific, regular financial training. While training for financial personnel must focus on enhancing "stakeholder service" by reducing approval turnaround times, training for program staff must emphasise the practical "how" and "why" of documentation (e.g., vouchers, registers).

5.5.2 Recommendations to Donors and External Policymakers

Donors could allocate specific capacity-building funds to cross-departmental training programs and technology investments (such as ERP upgrades) to streamline controls. This recognises that efficiency is crucial for maximum impact in fragile states.

Accept Simplified Reporting Structures (Donors): GALZ should implement a standardized, simplified reporting template that meets their fundamental accountability requirements without necessitating unduly complex or onerous donor-specific formats that add to the "bottleneck."

Policymakers should attempt to provide clearer, more consistent regulatory guidelines (e.g., on the PVO Act) to lessen the external uncertainty and intensive scrutiny that often pushes NGOs to establish unduly tight, defense-oriented internal controls.

5.4.3 Recommended Model for Financial Internal Control

The researcher proposes a financial internal control system that is based on the COSO framework. There is need for GALZ to transition from a compliance- focused mindset to a more risk-adaptive and technology driven approach. The technology-driven approach will enhance continuous controls monitoring, helping GALZ address risks quickly and efficiently. Data analytics will be utilised to assess anomalies and trends by automating internal control testing.

5.5 Limitations of the Study

The author acknowledges that this research has several limitations that future research has to address. The study limitations included methodological limitation on best research method that would answer and address the study questions. To overcome this limitation, the researcher utilised a mixed-methods approach to ensure the objective and in-depth collection of data to answer the research questions.

Moreover, another limitation was whether the sample was a true reflection of the population size under study. To overcome this limitation, the study adopted the sample calculation by Krejcie and Morjie (1990), which has been tested and verified to provide a sample size that accurately reflects the population.

The study's other drawback was the possibility of participant personal bias based on their incorrect conclusions about the study's goal. The researcher overcame prejudice by informing the respondents that the survey was solely for academic purposes and urging them to give the most honest response they could. Meeting with the responders

presented another difficulty. The study's participants were workers who often had extremely hectic schedules and a lot of stuff to do.

Therefore, to get around this, the respondent had to modify his program to fit the time spent by responders and repeated reminders to return questionnaires. The researcher had to work under pressure to reach the deadline because the majority of the questionnaires were returned late.

Managers' reluctance to divulge information about the internal workings of their company and their policy decisions was another issue. Therefore, to avoid this restriction from jeopardizing the reliability of the study's conclusions, the researchers employed an anonymous survey in which participants were not asked to reveal their names or the names of their organisations. Additionally, the study's findings used pseudonyms.

5.6 Suggestions for Future Research

Future research should extend beyond a single case study by conducting comparative studies across multiple NGOs in Zimbabwe and Sub-Saharan Africa to enhance the generalisability of findings. Since this study was limited to GALZ, examining other organisations operating in different sectors and contexts would provide broader insights into how internal control systems influence performance across the region.

In addition, researchers should consider adopting longitudinal research designs that track NGOs over time, thereby capturing how internal controls evolve and their long-term effects on operational performance. Another important area of exploration is the role of governance culture and leadership style as moderating variables, since these

organisational dynamics may strengthen or weaken the effectiveness of control systems.

Finally, future studies could employ quasi-experimental designs, such as difference-in-differences, to establish causal links between strengthening internal controls and improvements in NGO performance, providing more rigorous evidence for both practitioners and policymakers.

5.7 Chapter Summary

This chapter analysed, concluded, and provided suggestions based on the study's findings. The findings demonstrated that financial internal controls have a major impact on GALZ's operational performance, and that the best indicators of effectiveness, accountability, and donor confidence are monitoring and risk assessment. Control activities had a moderate influence, whereas the control environment and information & communication, however desired by staff, did not significantly predict performance due to inconsistent enforcement and feedback gaps.

The study came to the conclusion that controls by themselves are not enough; their efficacy is determined by how consistently they are applied and monitored. Stronger audit follow-up procedures, formal risk assessment via a risk register, increased staff capability, improved internal communication, and policy alignment with COSO best practices were among the main suggestions.

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Appendices

Appendix 1: Questionnaire Survey Instrument

Welcome and thank you for taking the time to complete this questionnaire. Your responses will help us evaluate the effectiveness of GALZ's financial internal controls and understand how they impact our operational performance. Please be honest and thoughtful in your answers.

Section 1: Demographic Information

1. What is your role/position within GALZ?

○ Options:

- | | | |
|----|----------------|---------|
| a) | Program | Officer |
| b) | Finance | Officer |
| c) | Administrative | Staff |
| d) | Other | |

2. How long have you been working with GALZ?

○ Options:

- | | | | | |
|----|-------------------|------|-----|-------|
| a) | Less | than | 1 | year |
| b) | | | 1-3 | years |
| c) | | | 4-6 | years |
| d) | More than 6 years | | | |

Section 2: Financial Internal Controls

1. Are there clear policies and procedures for financial management at GALZ?

(Yes/No)

2. Do you feel adequately trained to adhere to financial internal controls?

(Yes/No)

3. How often are financial policies reviewed and updated?

(Open-ended or time-range options)

4. For each statement below, select how strongly you agree.

Q1. How would you rate the effectiveness of financial internal controls at GALZ?

1: Strongly Disagree

2: Disagree

3: Neutral

4: Agree

5: Strongly Agree

Q2. Financial transactions are properly authorized and approved.

1: Strongly Disagree

2: Disagree

3: Neutral

4: Agree

5: Strongly Agree

Q3. Financial records are accurately and timely maintained.

1: Strongly Disagree

2: Disagree

3: Neutral

4: Agree

5: Strongly Agree

Q4. Regular audits and reviews of financial statements are conducted.

1: Strongly Disagree

2: Disagree

3: Neutral

4: Agree

5: Strongly Agree

Section 3: Operational Performance

1. **Are resources (e.g., staff, equipment, funding) allocated effectively to achieve operational goals?**

(Yes/No)

2. **Do you believe GALZ has the capacity to scale its operations effectively?**

(Yes/No)

3. How well does GALZ perform in the areas below?

Q1. GALZ's programs and services are delivered efficiently and effectively.

1: Strongly Disagree

2: Disagree

3: Neutral

4: Agree

5: Strongly Agree

Q2. Stakeholders (donors, beneficiaries, partners) are satisfied with GALZ's performance.

1: Strongly Disagree

2: Disagree

3: Neutral

4: Agree

5: Strongly Agree

4. **What challenges do you face in delivering programs and services efficiently?**

(Open-ended)

Section 4: Impact of Financial Internal Controls on Operational Performance

1. **Do financial internal controls help in minimizing risks and errors in operations?**

(Yes/No)

2. **Can you provide examples of how financial internal controls have positively impacted program outcomes?**

(Open-ended)

3. Rate the impact of financial internal controls on overall performance.

Q1. Financial internal controls have a positive impact on GALZ's operational performance.

1: Strongly Disagree

2: Disagree

3: Neutral

4: Agree

5: Strongly Agree

Q2. Financial internal controls enhance program/service delivery.

1: Strongly Disagree

2: Disagree

3: Neutral

4: Agree

5: Strongly Agree

Section 5: Areas for Improvement

- 1. What specific tools or resources would help improve financial internal controls?**

(Open-ended)

- 2. Are there any gaps in communication regarding financial policies and procedures?**

(Yes/No)

Section 6: Additional Comments

- 1. Do you have any suggestions for improving collaboration between departments to enhance operational performance?**

(Open-ended)

- 2. What additional support do you need to ensure compliance with financial internal controls?**

(Open-ended)

Thank you for your valuable input! Your responses contribute directly to strengthening GALZ's operations and ensuring our continued effectiveness. We appreciate your time and support.

Appendix 2: Focus Group Discussion Instrument

Focus Group Discussion Guide

Study Title: *Impact of Financial Internal Control Effectiveness on Operational Performance: A Case Study of GALZ*

Introduction

- Welcome participants and introduce the facilitator(s).
 - Share the purpose of the focus group and outline the session's structure.
 - Emphasize confidentiality and obtain informed consent.
 - Clearly state the study's objectives and intended outcomes.
 - Encourage open, honest participation and assure a non-judgmental space.
-

Section 1: Financial Internal Controls

Key Discussion Prompts:

- What financial internal controls are currently implemented at GALZ?
 - In your experience, how effective are these controls in promoting sound financial management and operational efficiency?
 - What obstacles or limitations do you encounter when applying these controls?
-

Section 2: Operational Performance

Key Discussion Prompts:

- How do financial internal controls influence GALZ’s ability to deliver programs and services?
 - Can you provide specific examples where financial controls enhanced or impeded operational performance?
 - What impact do these controls have on relationships with stakeholders (e.g., donors, beneficiaries, partners)?
-

Section 3: Areas for Improvement

Key Discussion Prompts:

- Which aspects of financial internal controls require enhancement?
 - What actionable recommendations would you suggest for improving both financial controls and service delivery?
 - In what ways can GALZ better balance financial integrity with program efficiency?
-

Section 4: Best Practices and Innovations

Key Discussion Prompts:

- Are there practices from other organizations that GALZ could learn from?
 - How might GALZ adopt digital tools or technology to improve financial oversight and operational productivity?
 - What systems or procedures would foster sustainable internal control improvements?
-

Conclusion

- Summarize the main insights and recommendations shared during the discussion.
 - Invite final reflections from participants.
 - Express gratitude for their valuable contributions and time.
-

Focus Group Composition

Ideal Group Size: 8–12 participants

Suggested Participants:

- GALZ staff (from finance, programs, and management teams)
 - Board members
 - External stakeholders (donors, beneficiaries, partners)
-

Duration

Recommended Timeframe: 30–60 minutes

Appendix 3: Focus Group Discussion Instrument

Interview Guide: One-on-One Interviews

Study Title: Impact of Financial Internal Control Effectiveness on Operational Performance

Case Study: GALZ – An Association of LGBTIQ+ People in Zimbabwe

Introduction

- Greet the participant warmly and introduce yourself.
 - Briefly explain the research purpose and relevance to GALZ's operational effectiveness.
 - Clarify that the conversation is confidential and voluntary, with no right or wrong answers.
 - Invite questions before starting and confirm informed consent.
-

Section 1: Background and Organizational Context

- Could you walk me through your role at GALZ and how long you've been involved?
- In your view, how have GALZ's financial management practices evolved over time?
- What internal control systems are currently in place, and how do staff typically interact with them?

Section 2: Financial Internal Controls

- Which financial internal controls at GALZ do you find most reliable or effective? Why?
- Have there been controls that created bottlenecks or challenges in program implementation?
- Can you share an example where financial controls directly supported or disrupted service delivery?
- How do these controls align with GALZ's overall mission and values?

Section 3: Operational Performance

- How does GALZ typically define or assess operational performance?
- What metrics or outcomes do you track?
- Could you share a recent challenge or success story in program delivery that's tied to financial management?
- In what ways do financial controls enhance or limit your work on the ground?

Section 4: Gaps and Opportunities

- Where do you see room for improvement in GALZ's financial internal controls?
 - Are there specific tools, training, or systems that could enhance financial and operational outcomes?
 - How does GALZ navigate the tension between rigorous financial oversight and flexible service delivery?
-

Section 5: Lessons and Best Practices

- Are there models or practices from other organizations that you admire or believe GALZ could learn from?
- What internal successes have helped improve operational efficiency, and what lessons emerged?
- If GALZ could change one aspect of its financial internal control system, what would it be?

Appendix 4: Informed Consent Guide Instrument

INFORMED CONSENT GUIDE

My name is Gilbert Kunyarimwe, a final year Executive Master's in Business Administration student from AU. I am carrying out a study on Evaluating the Impact of Financial Internal Control on Operational Performance. I am kindly asking you to participate in this study by answering the questions on the questionnaire/ attend the focus group discussion/ allow me to have a one-on-one interview with you.

Purpose of the study

The purpose of the study is to evaluate the impact of financial internal control effectiveness on the operational performance of GALZ. The study is designed to achieve the following objectives:

To evaluate financial internal control effectiveness,

To examine the impact on operational performance

To Identify areas for improvement

To inform strategic decision-making.

You were selected for the study because you are familiar with the GALZ financial internal controls/ you are involved in decision-making. There will be 25 participants in this study.

Procedures and duration

If you decide to participate, you will be expected to answer the questions on the questionnaire/ attend a focus group discussion/ and or participate in a one-on-one interview with the researcher. Each focus group discussion is expected to take between 30 to 45 mins. The questionnaire has a couple of questions that can be answered in a 20-minute maximum and a one-on-one interview that can be conducted physically or virtually.

Risks and discomforts

All responses to this questionnaire are confidential and will be handled exclusively by the researcher. Your anonymity is guaranteed, and any sensitive information you share will remain private.

The questionnaire may include questions on sensitive topics. While these questions are necessary for the research, we understand they might cause emotional distress. Please answer them as objectively as possible, and remember that they are not intended to cause discomfort. If any question causes distress, you are not required to answer it.

We are committed to protecting the confidentiality of our participants during focus group discussions. To manage the risk of sensitive information being shared outside a focus group discussions, all participants will sign a confidentiality agreement. We will also set clear ground rules and provide reminders during the discussion to reinforce the importance of privacy. Access to all focus group data and recordings will be strictly limited to the research team.

During interviews, a participant may share sensitive information that the researcher is legally or ethically required to disclose. In mitigating this, the researcher will clearly inform all participants about the limits of confidentiality and any circumstances under which information might need to be shared. A confidentiality agreement will be used to formalize this understanding. The researcher will also use documentation disclosure to accurately record any such instances and will consult with relevant authorities as needed.

Additionally, to address potential discomfort or intimidation, the researcher will ensure participants fully understand their rights, including the right to refuse to answer any question or to withdraw from the study at any time. The researcher will create a safe, comfortable, and trusting environment, selecting a setting that helps the participant feel at ease.

Benefits and/or compensation

We would like to clarify that there is no monetary compensation for participating in this research. However, your participation will provide several benefits, including a special copy of the research findings summary and a report on the recommendations once the study is complete. You will also have the opportunity to contribute to the research dissemination process. All participants are eligible for these benefits.

Confidentiality

Should include that any information that is obtained in the study that can be identified with the participant will not be disclosed without their permission. Names and any other identification will not be asked for in the questionnaires.

Voluntary participation

Participation in this study is voluntary. If a participant decides not to participate in this study, their decision will not affect their future relationship with the researcher or the organisation or other authority. If they choose to participate, they are free to withdraw their consent and to discontinue participation without penalty.

Offer to answer questions

Before you sign this form, please ask any questions on any aspect of this study that is unclear to you. You may take as much time as necessary to think it over.

Authorization

If you have decided to participate in the study, please sign this form in the space provided below as an indication that you have read and understood the information provided above and have agreed to participate.

Name of Research Participant (please print)

Date

Signature of Research Participant or legally authorised representative

If you have any questions concerning this study or consent form beyond those answered by the researcher including questions about the research, your rights as a research participant, or if you feel that you have been treated unfairly and would like to talk to someone other than the researcher, please feel free to contact the Africa University Research Ethics Committee on telephone (020) 60075 or 60026 extension 1156 email aurec@africau.edu

Name of Researcher -----

Appendix 5: AUREC Approval Instrument



**COLLEGE OF BUSINESS AND
MANAGEMENT SCIENCES**

30/May/2025

Africa University Research Ethics Committee

Ref: Approval for AUREC Proposal Submission

Gilbert Kunyarimwe has worked on the proposal with the assistance of the supervisor and I confirm that it is ready for reviewed by your esteemed committee.

Respectfully
submitted, P
KORERA



A handwritten signature in blue ink, consisting of a circled 'P' followed by the name 'KORERA'.

Supervisor's Name

Supervisor's Signatur

Appendix 6: GALZ Research Approval Instrument



A Student-Facility Research Agreement

Preamble

GALZ is an association of LGBTI people established in 1990 to protect, promote and represent the rights of LGBTI people as equal citizens in Zimbabwe. GALZ seeks to position itself as a regional LGBTI information hub and resource centre, providing correct information and educational materials, as such supports the work of researchers who wish to ethically study topics around human sexuality, gender identity and overall human rights as they pertain to LGBTI people. Research collaborations between students and faculty are increasingly taking place in the natural and social sciences. Unfortunately, such collaborations can become dysfunctional or break down altogether leading to disputes about important matters, such as data ownership and authorship rights. To minimize the conflicts that such disputes can raise, the Student- Faculty Research Agreement will ensure research integrity and maintain research ethics for both parties.

This document covers:

- Scope and aims of research supported by GALZ

- Agreement for use of GALZ name and trademarks
- Agreement for submission of research to GALZ
- Agreement on access to GALZ library

This document was prepared by the GALZ Programmes Department .Any queries may be directed to info@galz.co or to the Programmes Manager on teddy@galz.co

Please complete in block letters. Where there is a list of options, mark box with an ‘X’

NAME OF RESEARCHER AS ON NATIONAL ID:

Gilbert Kunyarimwe

NATIONAL IDENTITY NUMBER:

63-859071-H-47

ADDRESS OF RESEARCHER:

830 Mahogany Drive, Lochinvar, Harare, Zimbabwe

NATURE OF RESEARCH:

Personal/ Independent Study

Institutional as part of Certificate, Diploma or Degree
Programme If yes, please fill in the following:

NAME OF INSTITUTION:

Africa University

NAME OF PROGRAMME:

Executive Master's in Business Administration

CURRENT ACADEMIC YEAR/SEMESTER:

Final Semester – August 2025

YEAR OF GRADUATION/COMPLETION:

June 2026

NAME AND TITLE OF SUPERVISOR/ FACULTY ADVISOR

Dr Patrick Korera – College of Business & Management Studies

EMAIL ADDRESS AND CONTACT NUMBER OF SUPERVISOR/ FACULTY
ADVISOR

korera@africa.edu

+263 775891888

TITLE OF RESEARCH:

Evaluating the Impact of Financial Internal Control Effectiveness on Organizational Performance. A case study on GALZ.

Appendix 7: Minutes of Focus Group Discussion Instrument

Focus Group Discussion Minutes – Financial Internal Controls & Operational Performance (GALZ)

Date: 13 October 2025

Purpose and context

- Academic study support: focus group to inform a dissertation on “Impact of financial internal controls on operational performance at GALZ”.
- Scope: internal controls in practice, effectiveness, obstacles, operational impact, improvements, and innovations.

What GALZ already does (internal controls mentioned)

- Control environment and governance aligned to COSO: policies, supervision, timesheets, clock-in, staff meetings, risk assessment, monitoring.
- Approvals and authorisation limits: requests initiated by programmes, reviewed by supervisors, approved by managers, finance checks; example petty cash limit around USD 200; director signs but does not bank.
- Segregation of duties within finance: initiator ≠ approver ≠ banker; starter–checker separation.
- Budget controls: grant budgets used to plan and track spend, variance analysis to donor rules, prevention of ineligible costs.
- Documentation and audit trail: requisitions, payment vouchers, receipts, registers, supplier invoices, payroll and payslips, expenditure codes by donor and line.
- Cash handling: minimal cash to field staff, preference for supplier payments, petty cash reconciled within 48–72 hours after activity.
- Asset management and HR controls: asset registers and tags, issue forms, condition checks, contracts and JDs, performance appraisals, recruitment TORs, structured shortlisting, interview scoring, reference and certificate verification.
- Reporting and oversight: monthly and quarterly financials, programme narratives, committee reporting, board oversight, spot checks, M&E verifications, triangulation against logs, targets, fuel and mileage.
- Systems: ERP in use, intent to be paperless.

Effectiveness observed

- Controls largely followed: timesheets due by the 25th; activity reconciliations within 48 hours; requests routed correctly.
- Benefits: reduced fraud and leakage, quicker and cleaner audits, donor confidence, timely delivery, better planning, faster decisions based on reliable data, less cash risk due to direct supplier payments.

ABSTRACT OF RESEARCH:

In 500 words or less, summarise the scope of your research, its aims and objective, the main research question and what inspired the desire to pursue the topic

Research Topic : Evaluating the Impact of Financial Internal Control Effectiveness on Organizational Performance. A case study on GALZ

Research Objectives

To evaluate the impact of financial internal control on operational performance at GALZ. To exam the relationship between financial internal controls and operational performance. To identify areas for improvement in financial internal controls.

To develop recommendations for enhancing financial management and operational efficiency.

Significance of the study

This section shows the importance of the research to GALZ, the researcher, the university and other scholars that may have an interest in the study.

To GALZ

Information gathered in this research will assist non-governmental organizations to fully understand the concept of financial internal control and its impact on organisational effectiveness, and as a result the organisation will know how internal controls will deliver greater value to the organisation. The findings will

inform organisational practices and policies regarding internal control effectiveness, ultimately enhancing financial stability, reliability, and compliance.

This will help GALZ identify areas for improvement in financial internal controls to enhance operational performance. Informs decision- making and policy development for effective financial management and operational efficiency. The study will also enhance accountability and transparency in financial management. It enhances the organisation's ability to deliver programs and services, ultimately benefiting the community and the broader non-profit sector.

To the University

The research is of importance to the university as the research will enhance the name of the university and the information gathered in the study will assist other students on literature review on financial internal controls and its impact on organisational effectiveness.

To the Researcher

The research will be of great value to the researcher as he will gain more insight on the concept of financial internal controls. The researcher will have more knowledge on the importance of internal controls. It is also a partial fulfilment of the Executive Masters in Business Administration.

To Other Scholars

The research will be of great value to the other scholars as this will provide empirical evidence on the impact of financial controls on operational performance. This will also contribute to the development of best practices for financial management in non-profit organisations.

Research Aim

This research aims to analyse the financial internal control of one organisation - GALZ and see how the financial internal control system are working effectively and how compliance of these controls are adding value to the effectiveness or the performance of the organisation.

This research proposal seeks approval to conduct a study on the relationship between financial internal controls and the overall performance of GALZ. With over a decade of experience in the finance department, I've observed firsthand the critical role that robust financial management plays in our organization's success. This study aims to provide concrete evidence of the value of strong internal controls, thereby creating a clear roadmap for improvements that will benefit GALZ, its service delivery, and its stakeholders.

IS YOUR RESEARCH SPONSORED BY AN ORGANISATION?

YES

NO

If yes, list the name(s) of the organisation(s):

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HAVE YOU APPROACHED ANY OTHER ORGANISATION TO ASSIST IN THIS RESEARCH?

YES

4

NO

If yes, list the name(s) of the organisation(s)

SAIH, Global Fund, Aidsfonds, Swedish Embassy in Zimbabwe, ARASA, Positive Vibes, Other Foundation

WILL YOU REQUIRE INTERACTION WITH GALZ STAFF AND/OR FUNDING PARTNERS?

Y

E

S

N

O

PLEASE PROVIDE AN OVERVIEW OF YOUR SAMPLE SIZE OR POPULATION OF

5

PEOPLE YOU WISH TO ENGAGE WITH e.g. 10 staff members, 3 LBQ members etc.

<u>Respondent</u>	<u>Population</u>	<u>Sample</u>
Finance Manager	1	1
Finance Officers	2	2
Administrative Officer	1	1
Monitoring & Evaluation Officer	1	1
Program Coordinator	1	1
Program Manager	1	1
Project Officers	6	6

Executive Director	1	1
GALZ Board	9	3
GALZ Donors	10	5
External Auditors	2	2
External Assessor	1	1
Total	36	25

WHAT PROTECTIONS DO YOU HAVE IN PLACE TO PROTECT STAFF AND/OR MEMBER IDENTITY?

All responses to this questionnaire are confidential and will be handled exclusively by the researcher. Your anonymity is guaranteed, and any sensitive information you share will remain private.

The questionnaire may include questions on sensitive topics. While these questions are necessary for the research, we understand they might cause emotional distress. Please answer them as objectively as possible, and remember that they are not intended to cause discomfort. If any question does cause distress, you are not required to answer it.

We are committed to protecting the confidentiality of our participants during focus group discussions. To manage the risk of sensitive information being shared outside a focus group discussions, all participants will sign a confidentiality agreement. We will also set clear ground rules and provide reminders during the discussion to reinforce the importance of privacy. Access to all focus group data and recordings will be strictly limited to the research team.

During interviews, a participant may share sensitive information that the researcher is legally or ethically required to disclose. In mitigating this, the researcher will clearly inform all participants about the limits of confidentiality

and any circumstances under which information might need to be shared. A confidentiality agreement will be used to formalize this understanding. The researcher will also use documentation disclosure to accurately record any such instances and will consult with relevant authorities as needed.

Additionally, to address potential discomfort or intimidation, the researcher will ensure participants fully understand their rights, including the right to refuse to answer any question or to withdraw from the study at any time. The researcher will create a safe, comfortable, and trusting environment, selecting a setting that helps the participant feel at ease.

ARE YOU OFFERING ANY FINANCIAL COMPENSATION TO PARTICIPANTS OF YOUR RESEARCH?

Y
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N
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If yes, attach the agreement you will need respondents to sign.

DO YOU INTEND TO USE PHOTOGRAPHS, VIDEO OR AUDIO RECORDINGS OF RESPONDENTS?

Y
E
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N
O

If yes, attach the Consent Form you will need respondents to sign. If respondents are GALZ members you may request a Consent Form from info@galz.co

DO YOU INTEND TO PUBLISH OR BROADCAST THIS RESEARCH IN PART OR IN ITS ENTIRETY ON A PUBLIC PLATFORM?

Y
E
S
N
O

PLEASE INDICATE WHICH PLATFORM(S) YOU ARE CONSIDERING FOR PUBLICATION OR BROADCAST:

This includes but is not limited to television, radio, organisational website, personal website, personal blog, Twitter, Facebook, Tiktok, Snapchat, podcast or online radio, LinkedIn etc

X

Academic Journals
University Libraries
Public Libraries

RESEARCH DECLARATION

GALZ is an association of LGBTI people and is a membership-based civil society organisation. Materials developed for and by GALZ will serve to protect the equality of LGBTI citizens and ensure their dignity and respect is maintained. Any research study carried out involving GALZ **will not** negatively portray, villainise, demean, degrade or endanger its membership or the LGBTI (+) community at large. By signing this portion, you are agreeing that your research is not harmful to LGBTI persons, GALZ staff, membership, board, partners and other stakeholders.

GALZ reserves the right to seek recourse to legal or other means to remedy any violation of its staff, members, board, partners and other stakeholders arising from this research in accordance with the Constitution of Zimbabwe (2013) and other criminal and civil legislation.

Please read this carefully:

- i. I acknowledge that the nature of discussion in Zimbabwe around same-sex conduct, sexual minorities, sexual characteristics, gender identity, sexual orientation and expression are sensitive due to criminalization and general lack of acceptance and homophobia by the society. I indemnify GALZ of any liability from dispute, attack, loss, damage, exclusion, financial claim, detention, prosecution, or any other liability arising from the development or publication of this research.¹

- ii. I agree to make available the research study in progress as and when requested by GALZ management in writing.
- iii. I agree to provide to GALZ an electronic and/or physical spiral bound copy of the research, either in print or audio-visual format in the case of video or audio material upon completion without financial compensation.
- iv. I will inform GALZ if my position on publication or broadcast of this research in part or whole has changed.
- v. I will only use the logos and trademarks provided by the GALZ Information and Communication Unit.
- vi. I will to the best of my ability ensure that GALZ resources and materials in my possession will be kept safe and free from damage.

NAME: Gilbert

Kunyarimwe DATE:

9 September 2025

SIGNATURE:



¹ Within a reasonable limit, GALZ will assist a researcher with legal, medical and mental health resources if there is real and imminent danger to their personhood as an act towards the protection of their membership or allyship to the LGBTIQ+ community.

Library Use Agreement

In the event that materials including books, pamphlets, flyers, brochures, annuals, reports, magazines, guides, leaflets, posters, newspapers, signage or branded livery, borrowed from the GALZ library become lost or damaged, I, Gilbert Kunyarimwe agree to replace said reference material at my own cost, or pay to GALZ the verified cost against quote (value) of the lost material in United States Dollars. I will notify GALZ in writing within 7 days of the material's omission, and supply the quote within a further 7 days.

GALZ reserves the right to refuse to lend a user material without explanation or have materials removed from the premises. A member may not borrow more than 3 books/assets at a time.

MEMBER/ RESEARCHER:

SIGNATURE:



DATE: 9 September 2025

GALZ STAFF WITNESS:

SIGNATURE:



DESIGNATION: Finance and
Administration Manager SITE:
Harare

EXECUTIVE DIRECTOR:



SIGNATURE

Appendix 8: Africa University Research Ethics Committee



AFRICA UNIVERSITY RESEARCH ETHICS COMMITTEE (AUREC)

P.O. Box 1320 Mutare, Zimbabwe, Off Nyanga Road, Old Mutare-Tel (+263-20) 60075/60026/61611 Fax: (+263 20) 61785 Website: www.africau.edu

Ref: AU3426/25

27 August, 2025

GILBERT KUNYARIMWE

C/O Africa University
Box 1320

MUTARE

RE: **EVALUATING THE IMPACT OF FINANCIAL INTERNAL CONTROL EFFECTIVENESS ON OPERATIONAL PERFORMANCE. A CASE STUDY ON GALZ**

Thank you for submitting the above-titled proposal to the Africa University Research Ethics Committee for review. Please be advised that AUREC has reviewed and approved your application to conduct the above research.

The approval is based on the following.

a) Research proposal

- **APPROVAL NUMBER** AUREC 3426/25
This number should be used on all correspondence, consent forms, and appropriate documents
- **AUREC MEETING DATE** NA
- **APPROVAL DATE** August 27 2025
- **EXPIRATION DATE** August 27, 2026
- **TYPE OF MEETING:** Expedited
After the expiration date, this research may only continue upon renewal. A progress report on a standard AUREC form should be submitted a month before the expiration date for renewal purposes.
- **SERIOUS ADVERSE EVENTS** All serious problems concerning subject safety must be reported to AUREC within 3 working days on the standard AUREC form.
- **MODIFICATIONS** Prior AUREC approval is required before implementing any changes in the proposal (including changes in the consent documents)
- **TERMINATION OF STUDY** Upon termination of the study a report has to be submitted to AUREC.



Yours Faithfully

Mary Chinzou

**MARY CHINZOU
FOR CHAIRPERSON
AFRICA UNIVERSITY RESEARCH ETHICS COMMITTEE**

