

**INTERNAL FINANCIAL CONTROLS AND ORGANIZATIONAL PERFORMANCE
A CASE STUDY OF RWANDATEL S.A (2004 TO2011)**

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ABSTRACT

The research study focused on measuring the extent to which the organisation (Rwandatel) has utilized the Internal financial controls in ensuring their performance is in line with their wide strategies objectives, To examine the measures adopted to enhance the effectiveness of internal financial controls in credit risk management, to recommend appropriate policy measures that will improve the effectiveness of internal financial controls in managing risk. Are employees or staff of Rwandatel limited conscious of internal control systems in the work place? How effective are the internal control systems in Rwandatel Limited? What measures need to be adopted to enhance the effectiveness of internal control systems in Rwandatel Limited? The scope of the study was at the headquarters of Rwandatel in various departments, on their usage of internal control system between 2004-2011. Literature was be reviewed from various reports on internal control system in the service sector and a lot referred to the COSO report. The reports that have been published regarding the operations of Rwandatel were discussed so as to establish the lacuna and thus build up a case for the study. Methodology of the study included the use of descriptive and explanatory design, where the researcher investigated the opinions and views that describe various phenomena. Rwandatel employees were targeted for the purpose of this study. All the 105 constituted the target and sample as the entire population was covered. Data collection was done through questionnaires and was analyzed using likert scale technique and as well as percentages and cumulative frequencies. The study findings were presented appropriately.

From the findings both the directive and detective having the high percentage show that the management of Rwandatel are concerned towards detecting any fraud and giving directives to the subordinates towards improving Rwandatels performance. Complaints are away that an organization can improve to satisfy its customers. Also 52 percent of the population then this would strongly impact on Rwandatel`s growth hence its valued performance. The respondents indicated that financial transactions were approved by managers 45 percent while 55 percent indicated that the transactions weren't approved by the managers. Respondents the organisational performance was significantly affected (2.587) by internal control system practices at Rwandatel. The study therefore recommended that Rwandatel needs to emphasis in selecting the application of the procedures that best suit the context of their operations. There is need to pick up the warning signs early. New people can take more time than you expect to get up to speed. There is need a framework, which management can use to facilitate understanding and the adoption of enterprise risk management. Proper risk assessment enables them to make informed decisions about the challenges and risks that we want to take on, and can help then to target their resources to achieve the best possible results.