

ABSTRACT

This study assessed the effectiveness of internal control systems in enhancing efficiency of financial management in public organizations in Tanzania, case of URA SACCOS LTD. The study was specific to assess the effectiveness of financial management system and legal framework as an internal control system, assessing the relationship between internal control systems and efficiency in financial management in public organizations, as well as explore factors affecting the implementation of internal control systems in public organizations. The study employed a case study research design on which a sample of 100 respondents were randomly drawn. While key informants were purposively selected. The study setting at URA Sacco's headquarters in Dar es Salaam. The study deployed in-depth interview, Observation and questionnaire methods to obtain primary data, while secondary data were obtained through documentary reviews including annual reports, internal and external auditing reports. Data analysis were done by assistance of computer software SPSS Version 23, both descriptive. To ensure data reliability and validity, content validity was undertaken through pilot study. The study revealed that, financial control management system and legal management system are effective in enhancing efficiency of financial management in public organization, also the study revealed the relationship between financial internal control system and efficiency in financial management in public organizations, a case of URA SACCOS LTD. Lastly, the study found factors affecting the implementation of financial management internal control system are fraud and misappropriation, Inefficiency of financial expertise, lack of integrity and accountability, Information and communication barrier, and Lack of skills (Education and training). Conclusively, financial management system as an internal control is very effective in enhancing the efficiency of financial management in public organization, contributes positively to the efficiency of financial management in public organizations. Implementation is affected by fraud and misappropriation, Inefficiency of financial expertise, lack of integrity and accountability, Information and communication barriers, and Lack of skills. The study recommended that the institution should keep improving these systems to the desired level, and more efforts should be increased.