

Article 1:

THE EVOLUTION OF INTERNAL CONTROLS IMPACT ON OPERATIONAL EFFICIENCIES

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Abstract

The main objective of the study was to determine the evolution of internal controls and its impact on the operational efficiencies due to the globalization of economy impacted the evolution of internal control systems. We want to evaluate the success/effect of internal control on corporate governance, specifically in small proprietor firms. The enhanced internal controls are focused on operational efficiencies and control implementation. The stronger control policies will spawn solid control application and efficiencies. In addition, the business world is experiencing phenomenal economic adjustments as the COVID19 pandemic escalates throughout Corporate America. The valuation of internal controls measures the effectiveness of preventing fraud has increased since the great recession of 2009. The need for internal controls to work in large multi-national organizations due to the globalization of economy also impacted the internal control evolution. The losses to fraud are causing some organizations to be more conservative that will lead to fewer opportunities for growth. Internal controls are assessed on the ability to prevent or detect fraud. Management may think certain internal controls are performing well while employees view the internal controls as weak. A discrepancy in the views of the effectiveness of internal controls maybe present between management and employees (Vanstraelen, 2016). A key indication of the performance of internal controls is does it detect material fraud risks.

We used Tally Machine Angles (TMA) as an example to assess the overall strategies. Business owners always have tried to preserve their assets from being stolen with internal controls. The detection of fraud is challenging because many types exist, and the least suspecting person or organization commits it. Tally Management Angle experienced a large number of breaches in internal controls during the period under analysis. This was correlated to the trend of weakening

internal controls over the six year period. Management of TMA will be improved from the stronger controls and for applying the stronger internal control policies. The enhanced internal controls are focused on operational efficiencies and control implementation. The stronger control policies will spawn solid control application and efficiencies. Tally Machine Angle employees are likely to irritate if controls are not functioning to their advantage. Management should attempt to motivate employees through education of the reason for internal controls and the functioning of internal control processes. Management should also implement a bonus package to motivate employees to apply all control procedures and policies.

Keywords: Internal controls, operational efficiencies, Tally Machine Angles, control implementation