BINDURA UNIVERSITY OF SCIENCE EDUCATION
FACULTY OF COMMERCE
DEPARTMENT OF ECONOMICS

A STUDY ON THE EFFECTIVENESS OF INTERNAL CONTROLS IN PROCUREMENT PROCEDURES IN ZIMBABWE: A CASE STUDY OF MINISTRY OF PUBLIC WORKS.

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ABSTRACT

The study investigated on the nature and effectiveness of internal control system within Ministry of Public Works, using Mashonaland Province as a case study. The research design consisted of both qualitative and quantitative approaches. Primary research was conducted through a questionnaire survey and depth interviews. Secondary data was collected through a review of ministry’s provincial internal documents, books, circulars, presidential decrees and other printed articles related to the study were consulted. Descriptive statistical tools such as percentages, weighted means and ranking were used to analyze and interpret the data gathered. 5 employees were interviewed whilst 55 were forwarded with questionnaires. The main areas of scrutiny were the Ministry’s internal control procurement system, internal control environment and control procedures. The major findings were that, there is a functional internal audit department within Ministry. The responsibility of internal controls is bestowed with an independent internal audit department. The main types of controls are authority, supervision, authorization and approval and physical control. The main scope of the study was the internal control procurement procedures and other areas of internal controls turned out to be buildings and motor vehicles, cash management and human resources. On the control environment, management attitude towards controls was largely seen to be positive. The major problem to the effective conduct of internal procurement controls is the influence of governmental policies, ministry policies, kickbacks and management supply companies. It was agreed that the Ministry has a well-functioning computerized accounting system. The study recommends that the internal audit department should desist from personal relationships from the procurement and finance departments. Also, it was advised that the Ministry should recruit appropriately qualified and experienced internal control personnel. Finally, it is recommended that, further research be undertaken in order to establish how the introduction of a national procurement department can help the Ministry of Public Works to reduce the purchase of sub-standard materials.