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The Role of Internal Controls in Improving Business Efficiency: An Empirical Study in Organization X

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Abstract

Internal controls are one of the fundamental mechanisms for ensuring effective, secure, and compliant functioning of organizations. When appropriately implemented, internal control systems can reduce operational and financial risks, increase the reliability of financial reporting, and improve business efficiency. This paper focuses on the theoretical framework of internal controls, formulation of research hypotheses, and the execution of an empirical study in Organization X. The study was based on a quantitative methodology, utilizing a structured questionnaire, while statistical analysis was conducted using the SPSS software. The main objective was to evaluate the extent to which internal controls contribute to achieving strategic goals, enhancing financial performance, and optimizing business processes. The findings confirm all three hypotheses and indicate that employees perceive internal controls as key tools for asset protection, compliance assurance, and fraud prevention. The paper offers valuable theoretical and practical insights into the functioning and effectiveness of internal control systems.

Keywords: Internal controls, business efficiency, control systems, organization, controlling, risks