

**INTERNAL CONTROL SYSTEMS AND FINANCIAL PERFORMANCE OF
UGANDA TECHNICAL COLLEGES : A CASE OF UGANDA TECHNICAL
COLLEGE LIRA**

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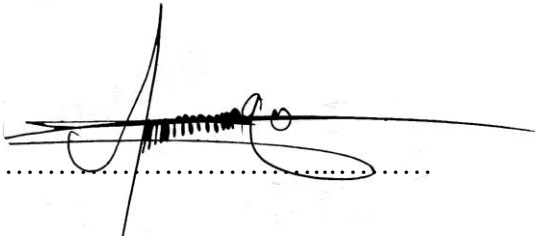


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DECLARATION

I **Diogo Daniel**, declares that this research entitled “Internal Control Systems and Financial Performance of Uganda Technical Colleges. A Case of Uganda Technical College Lira”, is original, it has never been presented anywhere in any institution of higher education by any individual for any academic award.

Signature.....

Date: 10-101-2024

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APPROVAL

This is to certify that this dissertation by Diogo Daniel entitled “Internal Control Systems on Financial Performance in Uganda Technical Colleges” has been written under my supervision and is hereby approved for submission for a Master of Business Administration of Uganda Christina University.



Date: 10TH -10 -2024

Maena Daniel

Uganda Christian University.

DEDICATION

I dedicate this book to my wife Namuli Flavia, my Parents; George & Edith Naibirizi, and my mentor Egesa Tadeo.

ACKNOWLEDGEMENT

I take this opportunity to thank all people who contributed to my academic life so far. I would like to express my heartfelt gratitude to my supervisor, Maena Daniel, whose tireless efforts have made this dream a reality. Daniel, you restored hope in me when I felt hopeless, you invoked the hitherto hidden abilities in me; a reason I will always walk with my head high. No number of words can express my sincere gratitude for your unending support during the research period may the good Lord reward your efforts I am greatly indebted to my colleagues and workmates; the lecturers in the faculty of Business Administration and Management, and the entire staff of Uganda Christian University and to my many student colleagues (MBA 2024) for your unending support in this journey.

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May the good Lord bless you all.

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LIST OF ABBREVIATIONS

ABA- American Bar Association

ACCA- Association of Chartered Certified Accountants

AICPA- American Institute of Certified Public Accountants

COSO- Committee of Sponsoring Organizations

CPD- Continuing Professional Development

CVI-Content Validity Index

DV- dependent variable

ERP- Enterprise Resource Planning

HR- Human resource

ICPAU- Institute of Certified Public Accountants of Uganda

IFRS- International Financial Reporting Standards

IIA-UK- Institute of Internal Auditors- United Kingdom

OAG- Office of Auditor General

SAS- Statement of Auditing Standards

SME- Small and Medium Size Entity

SOX- Sarbanes- Oxley Act

UCU- Uganda Christian University

UTC- Uganda Technical Collage

ABSTRACT

The study investigated and sought to establish the relationship between internal control systems and financial performance in Uganda Technical Colleges in Uganda. A case of Uganda Technical College Lira. Internal controls were looked at from the perspective of Control Environment, information and communication and Control Activities whereas financial performance focused on Profitability, Increase in Assets and Growth as measures of financial performance. The Researcher set out to establish the causes of persistent poor financial performance from the perspective of internal controls. The research was conducted using both quantitative and qualitative approaches using Survey, Correlation and Case study as Research Designs. Data was collected using Questionnaires and Interview guide as well as review of available documents and records targeting basically Heads of Departments, College Management, Governing council members and Finance and Accounts staff as respondents from a sample size of 42 College staff. Data was analyzed using the Statistical Package for Social Scientists where conclusions were drawn from tables, figures from the Package. The study found that management of the College is committed to the control systems, actively participates in monitoring and supervision of the activities of the College, all the activities of the College are initiated by the top-level management. It was further revealed that there is a clear separation of roles, weaknesses in the system are addressed, and there is a training program for capacity building in the in college. However, the study also found out that there is lack of information sharing and inadequate security measures to safeguard the assets of the College, it was also noted that there isn't enough cash to meet intended College goals, that the fees charged to students are not appropriate to cover College costs, that all fees meant to be remitted to the College are not collected. It was however, revealed that all revenues and expenditures are properly classified, and that assets of the College have generally increased. The study established a significant relationship between internal control system and financial performance. The investigation recommends competence profiling in the Internal Audit department which should be based on what the College expects the internal audit to do and what appropriate number staff would be required to do this job. It also recommends that the College establishes and manages information management system to enable all parties within the College to freely access and utilize the official information. There should be a strategy to improve the generation of additional finances for the College. The Study therefore concludes that internal control systems do function although with hiccups and that there is a significant relationship between internal control systems and financial performance in Uganda Technical Colleges.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

Internal control systems are a set of policies and procedures adopted by an entity in ensuring that transactions are processed in the appropriate manner to avoid waste, theft and misuse of organization resources (Mwindi, 2008). The study focused on the effect of internal controls on financial performance in Uganda Technical college lira, this chapter presents the background to the study, statement of the problem, objectives, research questions, scope of the study, significance, justification and conceptual framework.

1.1 Background to the study

1.1.1 Historical Perspective

During the period 1947 to 1980, auditing standards were established in many countries including United States, United Kingdom, New Zealand, Australia; and, in each case, a standard concerning internal control was included (Wanjala,2015). Definitions of internal control were published before and after the relevant standards (Sigilai and Njiru, 2016). The evolution of internal control followed a distinctive pattern in each country but there were similarities. Similarities among the four countries included developments in the evolution of internal control that were preceded by public criticism of existing auditing procedures and by the members of the profession to expand their duties concerning internal control (Sigilai and Njiru, 2016).

In general, the evolution of internal control demonstrates the shaping of a number of trends in auditing history. These include the internationalization of auditing, and the extent to which

developments in the United States have become important; the pressure from external sources for the area of auditors' responsibility to be increased; and the resistance by auditors to such an increase in their duties. The general trend in each of the four countries has been towards a "broader" view of internal control, a trend consistent with other control literature (Sigilai and Njiru, 2016). Research on internal controls is a relatively new but a rapidly growing area in the accounting literature. The majority of the studies involving internal controls are focused on investigating the characteristics of firms that disclose material weaknesses in internal control (Lu & Ma, 2024).

Internal controls have existed from ancient times worldwide. Bruno (2018) reported that "in Hellenistic Egypt there was a dual administration with one set of bureaucrats charged with collecting taxes and another with supervising them. Relatedly, Ab Ghani & Saffa'Shaharuddin (2023) contends that, internal control as a concept has existed as early as there have been substantive relationships. The authors added, its origin can be documented and traced back to civilized communities that existed around 5000 B.C. The governments of these empires imposed a number of taxes on individuals and business. For the proper accounting and collection of these taxes, an elaborate system of checks and counterchecks were established. Such early internal control systems were designed primarily to minimize errors and safeguard state revenue from dishonest tax collectors. Further still, Wade (2023). continued that, the Mesopotamian civilizations, which existed about 3000 B.C., also utilized elaborate systems of internal controls. Summaries of the transactions were prepared by scribes who did not provide the original list of receipts and payments. Documents of that period contained ticks, dots, and check-marks indicating the existence of the auditing function during those times".

In East Africa, systems of internal controls have always been a very critical component of Management and a foundation for safe and sound operation of entities. However ineffective internal controls resulted in ineffective programs and eventually led to losses in the Water sector in Kenya (Olumbe, 2012).

However, in Uganda, the introduction of decentralization meant sharing political power and responsibilities between levels of government as well as giving local governments the financial, legal, institutional and managerial resources to fulfill those duties (Andama, 2020). It also implies that local governments must be accountable to both central governments and their constituencies (World Bank, 2009). The allocation of power amongst all levels of government is a basis for democracy. The expression decentralization implies the shift of authority on a fiscal basis to local government units or particular legal bodies. It can be explained that decentralization takes the variety of de-concentration (delegation) of authority to field units of the same department, or the level of government, or by devolution of authority to local government (Badu, 2017).

1.1.2 Theoretical Perspective

The Institutional theory will guide this study. This theory, more sociological in character, originates from work done by Meyer and Rowan (1977) It has been said that institutional theory is becoming an important theoretical perspective in accounting and theory research (Dillard, Rigsby & Goodman,2009). According to this theory, entities develop and design structures, processes and systems not primarily based on rational economic cost benefit analysis, but because they are more or less required incorporating new practices and procedures. According to Meyer and Rowan (1977) this means that organizations are driven to incorporate the practices

and procedures defined by the prevailing rationalized concepts of organizational work and institutionalized in society. Organizations that do so increase their legitimacy and their survival prospects, independent of the immediate efficacy of the acquired practices and procedures.

Institutional theory focuses more on the environmental factors being experienced by an organization such as “external or societal norms, rules, and requirements which organizations must conform to, for them to receive legitimacy and support”. This makes the Institutional theory the perfect theory for this study as it provides a conceptualization of organizational action that is explicitly concerned with the relationships among individuals, organizations and the communities and societies in which they operate. Through the development of structures, the institution shall be able to have a good work environment where responsibilities of different employees are clearly stated and therefore, the theory closely relate to the first objective of control environment and how it affects financial performance.

1.2.3. Conceptual Review

Financial Performance; refers to the subjective measure of how well a firm utilizes its assets from its primarily mode of business to generate revenue to sustain its activities (Adekunle, & Aghedo, 2014). Financial performance can be measured in many ways but for purposes of this specific study, financial performance will be limited to budget efficiency, liquidity and accountability.

Internal control systems

Refer to a set of rules, policies and procedures that are implemented within an organisation so as to provide reasonable assurance that the organization’s financial reports are reliable; operations are efficiently and effectively executed and compliance with applicable laws and regulations is being observed (Tunji, 2013). Internal control assists in ensuring the reliability of financial

reporting (all transactions are recorded and that all recorded transactions are real, properly valued, recorded on a timely basis, properly classified, and correctly summarized and posted). An organization with effective system of internal control is expected to achieve its objective efficiently and effectively (Njiru, 2016).

Control environment

Refer to a set of standards, processes and structures that form the basis for carrying out internal control across the organization. The key elements that make up the control environment include integrity and ethical values of the organization; these parameters enable the board of directors to carry out its governance oversight responsibilities (COSO, 2013).

Information and communication

Communication is the continual, iterative process of providing, sharing, and obtaining necessary information. Internal communication is the means by which information is disseminated throughout the organization, flowing up, down, and across the entity (Kinyua, 2016).

Control activities

Control activities are procedures that help to ensure reliability of financial reporting (Pham et al., 2022). This agrees with the Institute of Internal Auditors (2008) which assert that they include components of internal control over financial reporting that provide reasonable assurances that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting regulations.

1.2.4 Contextual Perspective

In Uganda, the government developed a national strategy to fight financial irregularities being that they had the most profound negative impact on public resources and delivery of services through establishment of laws that included; the constitution of the Republic of Uganda, Local

Government Act, Finance and Accountability Act, the penal code, the NGO bill (Komuhangi, 2005). The year 2003 was the time when the Finance and Accountability Act, 2003 was enacted, to ensure commitment control system in the areas of financial management and organisational performance in terms of governance and performance management, reflecting major issues of concern for example; reliable financial reporting, Effective and efficient operations, and Compliance to laws and regulations.

Uganda Technical College Lira is located Lira City in Northern Uganda. The college's activities are currently carried out the main campus (OAG Report June, 2022). Uganda Technical College Lira has over the years implemented and enforced a number of internal control measures and control activities over financial management and management of operations aimed at improving organizational performance. Key internal controls implemented include; segregation of roles relating to authorizations, reviews and approvals, establishment of approval limits for financial transactions, bank mandates, password-controlled access to financial systems, establishment of an internal audit function, establishment of policies relating to asset management and personnel management (Report of the Auditor General, 2022)

Despite the internal control measures implemented at the college, available internal audit reports highlight some performance gaps in the areas of; expenditure management manifested through ineligible/non-budgeted expenditures, non-compliance to partner funding needs requirements/agreements, inadequacies in staff management, weak fleet management and inadequate supporting documentation for procurements (Compliance Audit Report, 2017).

1.2 Statement of the problem

Financial performance is a major concern in many technical colleges in Uganda and it has been a vital subject in recent times to especially at this time when government has reduced its financial support to (Auditor general's Report 2023). Uganda Technical College, Lira just like other education institutions has put in place several internal control systems with the aim of ensuring good stewardship of the organisation by observing established ethical codes, control activities and monitoring activities as a way of promoting better growth, increase in asset and profitability of all financial matters to the management (Annual Report, 2021).

Despite the fact that the college has implemented strict controls like the use of local purchase orders to procure goods and services, requisitions raised by user departments, vouchers prepared by Bursars and approved by the principal, payment made and receipts obtained and vouchers stamped and filed, use of prequalified suppliers, maintenance of creditors and debtors ledger, approved imprest system, preparation of annual budgets and financial statements, its financial performance is still very low (Auditor general's Reports 2021/2023

Several studies have attempted to link internal controls to financial performance of public institutions (Nakalawa, 2018), however, these studies were carried out in different geographical contexts and did not exploit the topic under study at Uganda technical colleges. It's against this background that this study was carried out.

1.3 Objectives of the study

1.3.1 General Objective

To examine the effect of internal controls on financial performance of Uganda Technical College Lira

1.3.2 Specific Objectives

- i. To assess the effect of control environment on financial performance in UTC Lira
- ii. To determine the effect of information and communication on financial performance UTC Lira
- iii. To examine the effect of control activities on financial performance in UTC Lira

1.4 Research Questions

This study sought to answer the following research questions in view of the specific objectives

- i. What is the effect of control environment on financial performance of UTC Lira?
- ii. What is the effect of information and communication on financial performance of UTC Lira?
- iii. What is the effect of control activities on financial performance of UTC Lira?

1.5 Scope of the study

1.5.1 Content Scope

The study focused on establishing effects of internal control systems as the independent variable (IV). This was limited to its dimensions of control environment, information and communication and control activities. While Financial Performance as the dependent variable DV and was limited to its dimensions of Growth, increase in assets and profitability

1.5.2 Time Scope

The study looked at period 2017-2021. This is because this is the time from when the Auditor General made several recommendations to the college to improve its internal control systems and this is the period when the college was hit by several fraudulent activities (OAG Report 2017) and the researcher feels the period is sufficient to provide a basis for the investigation on the effect of ICSs on financial performance in UTC Lira.

1.5.3 Geographical Scope

The study was carried out at UTC Lira, in Lira city 1km from Lira town, off Lira -Soroti high way Agwata road. This place is chosen since most of the active internal control systems are located in the campus and the operations of the college are well known to the researcher.

1.6 Justification of the study

Financial performance is one area that is given a lot of prominence all over the world, it has been widely researched. A lot of literature has been written on financial performance, and External auditors normally place a lot of emphasis on internal controls as a measure to ensure sustainable and improved financial performance, however, it is the perception of the researcher that there are still gaps in the research so far done. (Nasimiyu, 2013).

Price water house coopers (2011) report indicates that an ICS is a set of procedures, methods and control measures designed by the board of directors and executive management to ensure achievement of the organization's objectives. Musfirah (2010) indicates that gaps in internal control systems have been found in several agencies over management of public funds. However, the study is silent on how to close those gaps (internal controls) hence this study

therefore, try to establish the linkage between internal control systems and financial performance as measured by liquidity, accountability and financial reporting in UTC Lira.

1.7 Significance of the Study.

The results of this study will provide detailed information regarding internal control systems and financial performance within the context of Uganda Technical Colleges with focus on Uganda Technical College Lira. This may assist financial and non-financial managers to come up with best strategies of dealing with financial performance within their organization to achieve best outcomes.

The study will highlight best practices with regard to internal control systems (control activities, control environment and information and communication) and how these relate and affect financial performance.

This may assist managers to make informed decisions for the effectiveness of their organizations as they serve the stakeholders.

This study will provide information based on Uganda Technical College Lira and this may act as a reference point to other researchers and academia with regard to exploring internal control systems and financial performance within Uganda Technical Colleges and other categories of Education Institutions.

This study will fix the existing gaps with regard to internal control systems and financial performance within the context of non-profit making organisations or Uganda Technical Colleges.

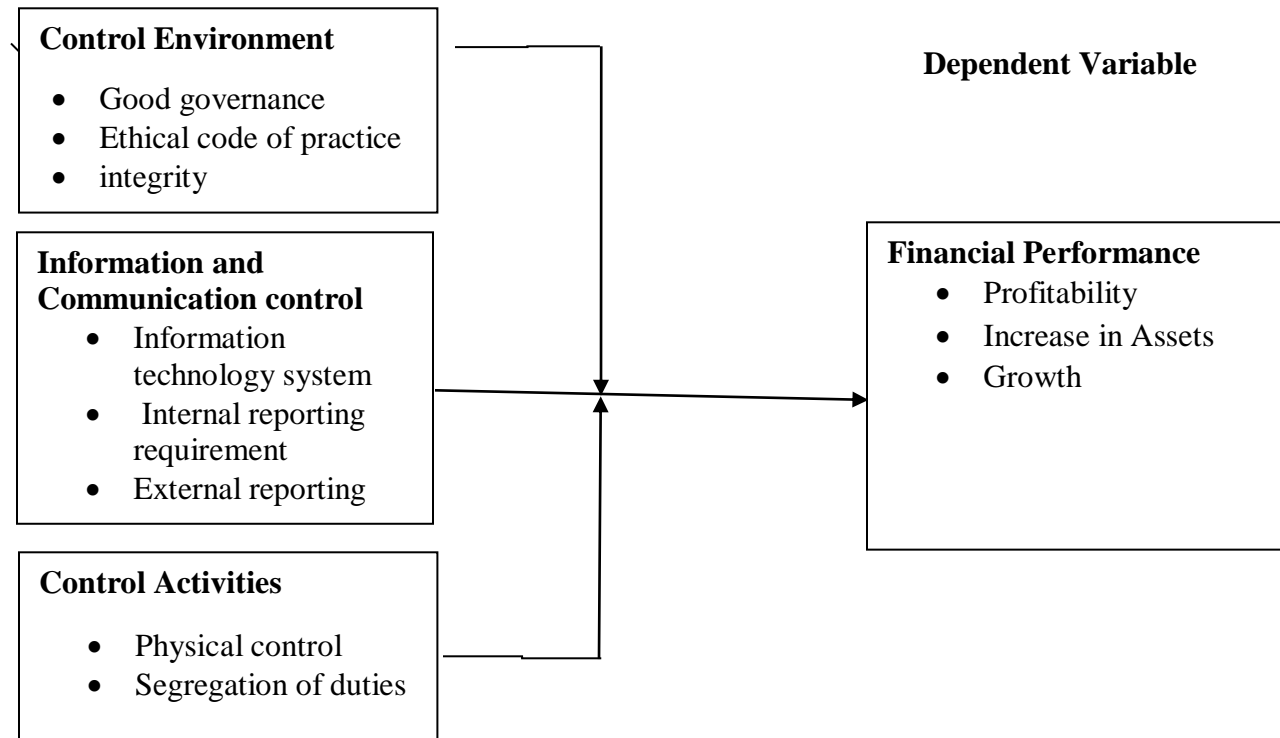
Therefore, it may act as a reference point for other researchers with regard to internal control systems and financial performance.

1.8 Conceptual framework

Figure 1: The Conceptual framework showing the relationship between internal controls and financial performance

Independent Variable

Internal Controls



Source: Adapted from Ndifonetal. (2014) as modified by the researcher

Fig 1: Conceptual framework

The conceptual framework depicts the relationship between internal control systems (independent variable) and financial performance (dependent variable) the independent variable

is explained by control environment, information and communication and control activities initiatives influence.

The relationship of the independent variable on the dependent variable is identified by fund balance revenue. Revenue diversification, operating ratio and fees collection rate as explained by the direction of the arrow. That is, when internal control system is effective, financial performance inevitably improves and when there is less effective emphasis on internal controls, financial performance declines. The conceptual frame work therefore shows how internal controls relate with financial performance in institutions of higher learning.

1.9 Definitions of key words

Internal control system in this study refers to the control environment, risk assessment, and control monitoring.

Internal control environment in this study refers to the ethical consideration and observance of functional policies such as HR, procurement, finance and the like

Financial performance; for purposes of this study, financial performance was defined to refer to reporting, accountability and liquidity.

Information and communication; shall refer to the ability by the institute leaders and managers to carry out Planning, organization, coordination and making reports about financial operations.

Fees Collection Rate; this refers to the percentage of fees collected as compared to the fees levied.

Revenue Diversification; this refers to the mix of revenue sources, reducing dependence on a single source.

Fund balance; Refers to the amount of reserves available to meet unexpected expenses or revenue shortfalls.

1.10 Conclusion

This introductory chapter has presented the background and the problem that is to be dealt with, that is; the effect of internal controls on financial performance. The objectives and conceptual frame work have been presented, together with the justification and significance of the study.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

The focus of this section is on reviewing the available literature on effect of internal control systems on financial performance in institutions of higher learning as per the study objectives.

2.1 Theoretical Review

Institutional Theory by Meyer and Rowan (1977).

This theory, more sociological in character, originates from work done by Meyer and Rowan (1977) It has been said that institutional theory is becoming an important theoretical perspective in accounting and theory research (Dillard, Rigsby & Goodman,2009). According to this theory, entities develop and design structures, processes and systems not primarily based on rational economic cost benefit analysis, but because they are more or less required incorporating new practices and procedures. According to Meyer and Rowan (1977) this means that organizations are driven to incorporate the practices and procedures defined by the prevailing rationalized concepts of organizational work and institutionalized in society.

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communities and societies in which they operate. Through the development of structures, the institution shall, be able to have a good work environment where responsibilities of different employees are clearly stated and therefore, the theory closely relate to the first objective of control environment and how it affects financial performance.

Stewardship theory by Donaldson and Davis in (1991)

According to the theory, it argues that share ownership in the modern corporation is widely held where, actions of management depart from those necessary to take full advantage of shareholder proceeds (Pratt and Zeckhauser 1985). In addition, Stewardship theory stipulates, the principal are owners and the agent's managers. Agency loss is realized which is the extent to which proceeds to the claimants remaining, (Jensen and Mackling 1976) adds that the owners, fall beneath what they would be if the principals, the owners, carry out control directly of the corporation.

Furthermore, (Eisenhardt, 1989) Stewardship theory details approaches which decrease the loss of an agency. These comprise motivation mechanisms for managers, which compensate them financially in order to maximize the shareholder interests. Those kinds of schemes may comprise strategies where the senior executives attain shares, more so at a cheap price, thus streamlining interests financially of shareholders with executives (Jensen and Meckling 1976).

Similarly, other schemes bind executive reward, levels of profit to shareholder's proceeds, and hence reward long run value maximization of the corporation and deter short –run executive action by deferred compensation to the future, which also affects the value of the corporation. In comparison to this study, the principal is the government while the agents are college leaders. (Uganda Technical Collage Lira Management) should put emphasis on internal auditing to

improve financial accountability. However, the stewardship theory clarifies approaches, which minimize agency loss.

In addition, Shane&Venkataraman, (2000) disapprove of, the theory that the steward's utility is maximized when the goals are associated with those of the principal. However, this theory applies entirely to the study because the central government is the principal that provides funds for to the institution while the employees in the institution (UTC, Lira) are the agents. This means that the staff of UTC Lira are employed to ensure maximum utilization of resources and ensured that can lead to effectiveness service delivery through proper accountability of all funds allocated. This theory equally informs the control environment in the institution which is charged with the responsibility of overseeing the institution and also ensure proper functionality of the internal control system put in place.

2.2. Empirical Literature Review

2.2.1 Control Environment and financial Performance

The control environment is the foundation for all the other components of an internal control system. It provides the discipline, structure and encompassing technical competence, assignment of authority and responsibilities (Miuro, 2013). It is always the responsibility of managers to evaluate the internal control environment in their own departments as the first step in the process of ensuring existence of internal controls. Control environment is influenced by the history and the culture of the organization and has a pervasive influence on the way business activities are structured that sets a positive and supportive attitude toward internal control and conscientious management (Karagiorgos, Drogalas and Giovanis, 2011). Therefore, control environment plays a major role in managing an organization and in determining the management of the resources such as finances.

According to lower (1998), an effective control environment is where competent people understand their responsibilities, the limits to their authority, and are knowledgeable, mindful, and committed to doing what is right and doing it the right way. Jenny and Pamela (2006) assert that “a governing board and management enhance organizations control environment when they establish and effectively communicate written policies and procedures, a code of ethics, and standards of conduct”. They also enhance the control environment when they behave in an ethical manner creating a positive tone at the top and when they require that some standard of conduct from everyone in the organization. Segregation of duties has always been an important component of a properly functioning internal control environment. It serves to prevent unintentional errors or fraud and ensure timely detection of errors that may occur. Due to Regulatory Compliance to Sarbanes-Oxley and other regulatory issues, companies are forced to increase their awareness and accountability of their employee’s actions (Deloitte, 2006). This helps in clearing would be weaknesses in the internal control systems. In an environment in which staff appreciates the mission of the company and handle resources with the mission its’ in mind, implementation of internal controls will be easy. Appreciating the mission is important because it provides a sense of direction and purpose to all members of the organisation, regardless of their position, and provides a guide when making critical decisions (DiNapoli, 2007). Without a clearly defined and communicated mission, an organisation may drift aimlessly and accomplish little. Therefore, management should tell employees about the organization’s mission and explain how their jobs contribute to accomplishing the mission. The mission statement will be most effective if all employees perceive they have a personal stake in it (DiNapoli, 2010)

In a related study on institutions of higher learning in Vihiga County, Kisanyanya (2015) found control environment to have a positive and significant effect on the financial performance of the institutions under study.

A study by Peat Marwick (2008) revealed that controls arising from effective and clear company policies and practices contribute closely to 55% in preventing the would-be fraud which would lead to loss of institutional finances. Duggar (2011) in a critical review investigated the role of integrity in individual and effective corporate leadership. The findings revealed that a culture of integrity created a highly valued work environment providing a foundation for solid long-term financial performance. Davis and Rothstein (2006) studied the effects of the perceived behavioural integrity of managers on employee attitudes. The meta-analysis results revealed that perceived behavioural integrity of managers was positively significantly related to performance

2.2.2 Effect of Information and Communication on Financial Performance

Information and communications technology are significant in ensuring flow of information about the plans, environment, risks, activities, and performance. Clear communication must be up, down, and across an organization. Information is required throughout the organisation to achieve its objectives, like operational, financial reporting and compliance (Nakalawa, 2018). The nature and quality of information captured, maintained and reported by the systems, affects management's ability to control and manage the organisation in meeting its objectives and is measured by such factors like; content is appropriateness, timeliness, accuracy and accessibility. These factors are affected by internal control systems and must be inherent in the information to enable informed decisions to be made throughout the organisation (COSO, 1992). This implies that that communication within public sector hospitals is very important as a good internal control measure. To ensure effective internal communication, all personnel need clear message

from top management about how internal control systems are important and why must be taken seriously. Specific duties must be made clear to every individual and each person should understand the relevant aspects of the internal control system and how his /her roles fit into it

Information is needed at all levels of organization to assist management in meeting the organization's objectives. Information about an organization's plans, control environment, control activities and performance must be communicated up, down, and across an organization.

Reliable and relevant and realistic information from both internal and external sources must be identified, captured, processed, and communicated to the people who need it in a form and timeframe that are useful (Alhassan, 2018). Effective communications should occur in a wider sense with information within the various sections of the organization (Theofanis et al, 2011).

According to Aldridge and Colbert (1994), internal control requires that all pertinent information be identified, captured, and communicated in a form and time frame that enable people to carry out their financial reporting responsibilities. Firms should adopt internal control and information systems that produce operational, financial and compliance-related information reports to make it possible to run and controls the business. Effective communications should occur in a broad sense with information flowing down, across, and up within all the sections of the organization (Theofanis et al., 2011). Recent literature on internal control system frameworks has raised some concerns on information and communication as one of the internal control system components because of their importance in influencing the working relationship within the organization at all levels (Amudo and Inanga, 2009). Shim (2011) stated that information must be accurate, relevant and reliable in order to ensure that accounting systems properly identify, assemble, analyze, classify, record and report the entity's transactions. Shim (2011) further asserts that the response

from this communication enables the board of directors and management to assess how well the internal control is functioning.

In a study by (Kariuki, 2017) on the effect of information communication technology on financial performance in commercial banks in Kenya indicated that information communication technology has improved the financial performance of commercial banks in Kenya and as a result of this, the market share of these banks has increased. Much as the findings by (Kariuki, 2017) are valid, the study does not provide the link between these findings and the institutions of higher learning thereby leaving a contextual gap which was filled by this specific study by focusing on Uganda Management Institute.

In another study by (Ogwal, 2019) on the relationship between internal control and local revenue collection in Lira Municipal Council with dimensions of risk assessment, management supervision, communication and local revenue collection indicated a statistically significant correlation between; risk assessment, management supervision, communication and local revenue collection. However, the study was conducted in a local government setting and does not clearly show how the variables affect financial performance and therefore, this contextual gap will be filled by this study by looking at institutions of higher learning.

2.2.3 Control Activities and Financial Performance

Control activities are in most cases established in response to perceived risks. According to community association institute (2011), an organization should ensure that it is staffed with professionals, segregated by specific job descriptions, policies and procedures that are in place to provide the maximum relative controls for it to have positive financial results. Decapolis (2010), allude that without adequate internal controls, management has little assurance that its goals and objectives was achieved. Properly designed and functioning controls reduce the likelihood of

significant errors or fraud occurring and remaining undetected. Internal controls also help ensure that departments (in addition to finance office) are performing as expected (Miuro, 2013).

According to Tunji (2013), functional segregation of responsibilities (authorisation, recording, custody and reconciliation) to different individuals helps organisations to check abuses that can derail an organisation and this consequently improves its performance.

On their part, Cédelle et al. (2007 as cited in Katushabe, 2016) indicate that accounting is an important activity of internal control. They explain that accounting is the system a company uses to measure its financial performance by noting and classifying all the transactions like sales, purchases, assets, and liabilities in a manner that adheres to certain accepted standard formats. It helps to evaluate a Company's past performance, present condition, and future prospects. Tunji (2013) reveals that accounting helps to establish a workable bookkeeping and accounting system that ensures all transactions are recorded and accurately processed in the appropriate books of account.

Authorization is also an important control activity. Natovich (2009) explains that authorization restricts employees and allows them to perform only predetermined activities according to their roles. In event-based systems, authorization control is based on activity types. Each user or group is granted access only to certain activity types. In business process management systems, authorizations are not separate from the process, but are derived directly from the roles of the employees and their authority as defined in the process. Authorization is not granted per activity type, but at the single incident level. In other words, the system grants a one-time authorization for the execution of a specific activity. The authorization is granted on the basis of the organisation's business process rules. In principle, authorization for an identical activity type may be granted in each incident to a different employee (Katushabe, 2016).

Chiezey and Agbo (2013) investigated the impact of fraud and fraudulent practices on the performance. Their findings revealed that if organisations strengthen their internal control systems and their supervisory role, they are able to check and curtail the incidence of fraudulent activities.

2.4 Summary of literature review

Summarizing the key findings of the studies; the overall financial performance in the organizational success lies in the effectiveness of internal control systems. Internal controls greatly affect the financial performance of organizations. Having proper communication and information flow is very important as a good internal control measure. Organizations should ensure that internal controls are regarded highly so as to ensure proper financial performance. Several studies have been conducted in this field for instance that by (Kariuki, 2017), (Ogwal, 2019) and many others as seen in the literature. However, none of the studies attempted to look at institutions of higher learning and in this case UTC Lira hence there is a contextual gap left which was filled by this study.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter presents the methodology to be employed by the study. It entails the research design, study population, sample size and selection, sampling techniques, research methods, study instruments, measurement of variables, reliability and validity, data analysis, ethical considerations, limitations and conclusion.

3.1 Research Design

A research design refers to a detailed outline of how a given research was conducted (Etyang, 2018). This study adopted both cross sectional design. The cross-sectional survey design was used because it is easy to prove or disprove assumptions, not costly to perform and captures specific points in time, according to (Maryam Hemed 2015). The study was concerned with collection of data at one point in time. The research design enabled the researcher to have rapid data collection and ability to understand the respondents (Majid, 2018). The study adopted a mixed approach. Etyang(2018) states that, it's the most effective approach, with quantitative data used specifically to quantify findings and qualitative data is used in getting facts and therefore strengthening the figures resulting from quantitative data analysis. Mugenda and Mugenda (2010) defined quantitative approach, as that approach that produces discrete numerical data.

3.2 Study Population

The population of the study involved 46 respondents who were comprised of 10 – members of the college management, 10 - Finance, 15 - governing council members, 5 - procurement officers and 6 – Heads of Departments. Population specification is a requirement in the documentation of both qualitative and quantitative research (Asiamah, Mensah, & Otenga-Abayire, 2017). These categories of respondents are chosen because they are charged with the overall responsibility of supervising, monitoring and coordinating the activities of the college.

3.3 Sample Size Determination

The sample size of 42 respondents was considerably being studied. The sample size is an important feature of any empirical study in which the goal is to make inferences about a population from a sample (Sarmah & Hazanka, 2012). The sample size was arrived at using the Sloven (1960) Formula given by;

$$n = \frac{N}{1+Ne^2}$$

Where:

n = sample size

N =Population size and

e = margin of error which is estimated at 0.05

Thus, substituting into the Sloven's formula of;

$$n = \frac{46}{1+46 \times 0.05^2}$$

$$n = 42$$

Table showing Sample size

Category	Population	Sample size per stratum	Sample technique
College Management	10	10	Purposive Sampling
Finance and Accounts	10	10	Purposive Sampling
Procurement	05	05	Purposive Sampling
Governing council members	15	12	Simple Random Sampling
Academic HODS	06	05	Simple Random Sampling
Total	46	42	

Source: Primary data (2023)

3.4 Sampling Techniques and Procedure

3.4.1 Purposive sampling

Purposive sampling was one of the techniques used during the study. It is a non – probability sampling method and it occurs when elements selected for the sample are chosen by the judgment of the researcher, Black (2010). Purposive or judgmental sampling is a strategy in which particular persons are selected deliberately in order to provide important information that cannot be obtained from other choices (Maxwell, 1996). It is where the researcher embraces participants in the sample because they deserve inclusion. Purposive sampling was used to select top management staff.

3.4.2 Simple random sampling

In this study, as indicated in table 3.1, simple random sampling was another technique used.

With simple random sampling, everyone in the entire population has an equal chance of being selected, Kothari (2004). Simple Random Sampling was used to select other established staff. This technique involves making a register of respondents' numbers in the different sections on separate small pieces of paper, registering each until all are registered, then putting all those pieces of paper in a box and shuffling them, then picking them at random one by one until the researcher reached the sample size number of 100

3.5 Data Collection Methods

3.5.1 Survey

This study adopted a questionnaire survey data collection method. The questionnaire survey involved the use of self-administered questionnaires. Questionnaires are frequently used in social research. A questionnaire is a sense of questions asked to individuals to obtain statistically useful information about a given topic (Roopa & Satya, 2012). This method enabled the researcher to cover the respondents quickly and at a reasonable cost (Bordens & Abott, 2011). The self-administered questionnaire-based method was very suitable for the sampled respondents because they easily responded to the questions.

3.6 Data Collection Instruments

3.6.1 Questionnaire

The questionnaire instrument was the main data collection instrument. Self-administered structured questionnaires were used for data collection from other established staff. These structured questionnaires were chosen because they helped in ensuring the confidentiality of

responses and save time. It is a valuable method of collecting a wide range of information from a large number of individuals often referred to as respondents (Roopa & Satya, 2012). The closed-ended questions were necessary to cover more ground within a limited timeframe particularly for those respondents who may have severe time constraints. The researcher hand delivered the questionnaires to the respondents and provided them two weeks to fill them after which he collected them.

3.6.2 Interview guide

Interviews entail the researcher following specified procedures to seek responses to a set of pre-set questions by the use personal interviews (Kothari, 2004. Pp. 17). This is crucial to confirm that the answers obtained during an interview are correct. Collecting in-depth data is undertaken using face-to-face interviews after administering the questionnaire (Bailey, Hutter, Hen nink. 2020). An interview guide was prepared to help in gathering data on the various research variables. This tool was helpful in gathering data from the college management.

3.7 Data Quality Control

3.7.1 Validity

The study used content validity and then pre-tests it to a sample of about 20 respondents from the college. This helped in ensuring that the measure includes an adequate and representative set of items that tap the concept (Sekaran & Bougie, 2016). Face validity helped in indicating that the items that are intended to measure a concept, do, on the face of it, look like they measure the concept. The following formula was used to test the validity index.

$$\text{Content Validity Index (CVI)} = \frac{\text{No. of items regarded relevant by judges}}{\text{Total number of items judged}}$$

The study considered the tool valid only if the CVI calculated is above 0.7 as proposed by George and Mallery (2003).

3.7.2 Reliability

The reliability of a measure indicates the extent to which it is without bias (error free) and hence ensures consistent measurement across time and across the various items in the instrument. The researcher employed the test-retest reliability. According to Sekaran and Bougie(2016), the reliability coefficient obtained by repetition of the same measure on a second occasion is called the test-retest reliability. The researcher administered the questionnaire containing the items that are supposed to be measured to a set of respondents, now and again to the same respondents from another district for two (2) weeks. The correlation between the scores (test-retest coefficient) were obtained at the two different times from one and the same set of respondents. The higher the scores, the better the test-retest reliability and consequently, the stability of the measure across time.

3.8 Data Collection Procedure

The researcher obtained a letter from Uganda Christian University, granting permission to proceed with data collection. The researcher commenced by requesting permission from the College administration to conduct research. Upon receiving approval to conduct research, the researcher accessed the respondents. Thereafter, the researcher sent reminders to the respondents to complete the filling out of the questionnaire. Raw data was then be collected and coded before data analysis was completed. During editing, viewpoints of the respondents that seemed not clear during the interviews will be taken back to them for verification so as to ascertain the meaning of the responses that seems ambiguous.

3.9 Data Analysis

3.9.1 Quantitative Analysis

The data collected by use of questionnaire was arranged, coded, edited for consistency and later entered using Statistical Package for Social Scientists (SPSS) version 23. This helped the researcher to summarize coded data and assist in quick interpretation of results. Descriptive statistics such as; mean and standard deviations helped the researcher to analyze, interpret and transform data acquired into meaningful information. Correlation analysis was used to find the relationship between variables of the study. In order to examine the effect of the independent variable on the dependent variable, regression analysis was carried out using (SPSS) version 23. Inferential statistics were also applied to show the degree and direction of the two variables under study.

3.10 Measurement of Variables

In this case, the researcher deployed a 5-Likert scale of 1 to 5 on each of the statements such as strongly disagree to strongly agree. In this way, the scale of measurement of 1 to 5 simply meant to measure the strength of the respondents' opinion on a particular statement. In this case, whoever ticked 1 = Strongly Disagree, 2 = Disagree, 3 = Uncertain, 4 = Agree, 5 = Strongly Agree.

3.11 Ethical Considerations

In this study, the researcher upheld the ethical principles of privacy, informed consent, anonymity, confidentiality, and avoids plagiarism. Informed consent was upheld by obtaining the consent of the respondents, who are participants in this case, before involving them in the study.

Indeed, informed consent formed the basis of the implicit contractual relationship between the researcher and the participants as most of the facts about the study was brought to the attention of the participants for the purpose of helping them make decisions relating to participation in the study. Consistent with Greener (2008), participants were informed about the purpose of the study, benefits of undertaking the study, their role in the research study, potential benefits and risks of the study to participants, expected duration of the study, and how the required confidentiality was ensured, and how participants can withdraw their consent at any time. Participants were also informed about what would happen to the data that was collected from them, and how the researcher kept and dispose of the data collected from the participants, all of which are important in determining their decision to participate in the study. Respondents were not in any way coerced to participate in the study but rather by their free will.

Seeking informed consent from participants guaranteed that they were well informed of the facts related to the study (or aims, objectives, and consequences of their participation) that would likely influence their decision to participate in the study (Diener & Crandall, 1978).

Privacy of the research participants was upheld by ensuring that no personal data will be collected from them. The researcher informed the participants of their right to privacy. For instance, to refuse to answer the questionnaire or to be interviewed, to obtain permission to participate in the study, to limit the time needed for participation in the study (Cohen et al., 2007). To ensure anonymity of the participants, all the participants in the research study remained anonymous and were not identified throughout the study was only by their social demographic characteristics. The researcher typically gathered and reported data in ways that keeps the respondents' identity anonymous or confidential.

3.12 Anticipated study constraints

Respondents may not have enough time to carefully study and understand the questionnaires before filling it. In this case the researcher will schedule appointments with respondents and will agree on specific collection time so as to give respondents ample time to fill the questions.

Some of the respondents may not be willing to participate in the study. In order to minimize the non-response, the questionnaire will be accompanied with a cover letter from the University clearly stating the purpose of the study and its intentions.

Non-generalization: since the study focuses on UTC Lira, it may be difficult for the study to be generalized to cover all Uganda Technical Colleges

The cross-sectional nature of the study renders assertions regarding the direction of causality tentative. The results may change overtime. Longitudinal research could provide strong evidence for the direction of casualty of the study variables over a long period of time. The researcher will therefore collect qualitative data to fill gaps in quantitative results.

3.13 Conclusion

This chapter discussed the methodology that will be used in the study by focusing on the research design, study population, sampling techniques, data quality, data analysis and ethical considerations.

CHAPTER FOUR

PRESENTATION AND ANALYSIS OF RESULTS

4.1 Introduction

This chapter presents presentation and analysis of study findings on the effect of internal control system on financial performance of Uganda Technical College Lira. This chapter is structured to include the demographic data of the respondents, response rate, descriptive findings and inferential findings as per the study objectives.

4.2 Response Rate.

This section focused on the response rate to ascertain whether the data collected was sufficient to permit the researcher proceed with data analysis.

Findings thereof are presented in table 4.1 below;

Table 4.1: Response Rate

Tool	Issued	Collected	Response Rate
Questionnaire	42	38	90%

Source: field data (2024)

Table 4.1 indicates that 42 questionnaires were issued and 38 were collected back fully filled forming a response rate of 90%. The response rate in this study exceeds the requirement by Holbrook, Jon, and Alison (2007) who recommended that a response rate of at least 60% is acceptable.

4.3 Respondents' Demographic Data

This sub-section presents the demographic data of the respondents in terms of gender, marital status and age bracket of the respondents as presented in table 4.2 below;

4.3.1 Gender

This sub section focused on the gender of the respondents and this categorized into male and female as presented in table 4.2 below

Table 4.2 Gender of the respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	30	78.9	78.9	78.9
Female	8	21.1	21.1	100.0
Total	38	100.0	100.0	

Source: Field data (2024)

The findings revealed that male staff were the majority 30(78.9%) compared to their female counterparts who were 8 represented by 21.1%. This means that Uganda Technical Collee Lira employed more males than the females. However, the fact that both genders participated, balanced views were obtained from both genders and hence giving a clear picture of financial performance at the college.

4.3.2 Age of the respondents

This sub section focused on the age of the respondents in terms of number of years as presented in the table below;

Table 4.3 Age of the respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
21-30 years	3	7.9	7.9	7.9
31-40 years	14	36.8	36.8	44.7
41 years and above	21	55.3	55.3	100.0
Total	38	100.0	100.0	

Source: Field Data (2024)

Table 4.3 reveals that 21(55.3%) majority of the respondents were 41 years and above, followed by 14(36.8%) who were 31-40 years and the least 3(7.9%) were 21-30 years. The findings mean that most of the respondents were mature enough to appreciate the importance of maintaining effective internal control systems.

4.3.3 Education Level of the respondents

This section entails data regarding the education level of the respondents in term of their qualification.

Table 4.4 Education level

	Frequency	Percent	Valid Percent	Cumulative Percent
Certificate	4	10.5	10.5	10.5
Diploma	16	42.1	42.1	52.6
Valid Bachelor's degree	16	42.1	42.1	94.7
Master's degree	2	5.3	5.3	100.0
Total	38	100.0	100.0	

Source: Field data (2024)

Findings in Table 4.4 indicate that 16(42.1%) of the respondents were degree holders, 16(42.1%) were diploma holders, 4(10.5%) were certificate holders and 2(5.3%) were masters' degree holders. The findings mean that most of the respondents had attained a minimum level of education and these could easily understand how to effectively manage an internal control system for effective financial performance in the college.

4.3.4 Work Experience

This section entails data regarding the experience of the respondents in term of number of years.

Table 4.5 Duration of work at the college

	Frequency	Percent	Valid Percent	Cumulative Percent
1 year and below	2	5.3	5.3	5.3
2-4 years	9	23.7	23.7	28.9
Valid 5-7 years	3	7.9	7.9	36.8
8-10 years	7	18.4	18.4	55.3
11 years and above	17	44.7	44.7	100.0
Total	38	100.0	100.0	

Source: Field data (2024)

Table 4: Reveals that majority of the respondents 17(44.7%) had worked for 11 years and above, 9(23.7%) had worked for 2-4 years, 7(18.4%) had worked for 8-10 years, 3(7.9%) had worked for 5-7 years, and only 2(5.3%) had for 1 year and below. This means that most of the respondents had worked for long with the college and this warrants them knowledge to learn and understand how systems work.

4.4 Descriptive Findings on Financial Performance

This section presents data concerning the dependent variable (financial performance) basing on a five-point Likert scale. Data was collected, analysed and presented in the table below;

Table 4.6: Descriptive Findings on Financial Performance

Statement	SD	D	N	A	SA	Mean	SD	Comment
The college always has enough funds to start a new	28.9%	34.2%	10.5%	23.7%	2.6%	2.37	1.217	Low

academic year									
We draft budgets to cater for any unforeseen expenditures	13.2%	36.8%	23.7%	21.1%	5.3%	2.68	1.118		Low
The funds allocated by government are always sufficient to allow us run smoothly	18.4%	42.1%	10.5%	15.8%	13.2%	2.63	1.324		Low
The college has other sources of financing activities	7.9%	26.3%	26.3%	31.6%	7.9%	3.05	1.114		Moderate
The government has played a great role in ensuring that we establish new revenue sources	5.3%	28.9%	21.1%	39.5%	5.3%	3.11	1.060		Moderate
All fees from students is timely collected	10.5%	55.3%	2.6%	31.6%	0.0%	2.55	1.058		Low
Only students with zero balance seat for exams	21.1%	13.2%	7.9%	39.5%	18.4%	3.21	1.455		Moderate
OVERALL						2.800	1.142		Low

Source: Field Data (2024)

Regarding whether the college always has enough funds to start a new academic year, findings presented in the table above show that 28.9% and 34.2% disagreed with the statement, 10.5% were uncertain while 23.7% and 2.6% agreed with the statement. The mean score of 2.37 and standard deviation of 1.217 indicates a low variation in responses. The findings mean that the college does not always have enough funds to start a new academic year implying that they

always start the academic year in a deficit and this presents a poor cash position which may have a significant bearing on its operations.

Concerning whether the statement ‘We draft budgets to cater for any unforeseen expenditures,’ finding in the table above show majority of the respondents 13.2% and 36.8% disagreed with the statement, followed by 21.1% and 5.3% who agreed while the least 23.7% were uncertain about the statement. The mean score of 2.68 and standard deviation of 1.118 signify that most of the respondents disagreed with the statement. The findings means that the college does not draft budgets to cater for any unforeseen expenditures hence implying that only expenditure they are certain of incurring are catered for in the budgets and this a clear indicator that the College has no capacity to address any unforeseen circumstances.

Concerning whether the funds allocated by College are always sufficient to allow us run smoothly, results presented in the table above reveal that 18.4% and 42.1% disagreed with the statement, 10.5% were uncertain while 15.8% and 13.2% of the respondents agreed with the assertion. The mean score of 2.63 and standard deviation of 1.324 indicate a low variation in responses. The findings mean that the funds allocated by government are not always sufficient to allow us run smoothly. This implies that the college is not always capable of meeting its expenditure timely since the allocated funds are always less and this presents a low performance in terms of the college finances. Concerning whether the college has other sources of financing activities, results presented in the table above revealed that 26.3% and 7.9% of the respondents disagreed, followed by 26.3% who were uncertain while the least 31.6% and 7.9% were disagreeing with the statement. The mean score of 3.08 and standard deviation of 1.114 indicate that most of the respondents were moderate regarding whether the college had other sources of financing activities.

The findings in the table also indicate that 39.5% and 5.3% of the respondents agreed with the statement that the government has played a great role in ensuring that we establish new revenue sources, 28.9% and 5.3% disagreed while 21.1% were uncertain about the statement. The mean score of 3.11 and standard deviation of 1.060 indicate that most of the respondents were moderately agreeing to the statement. This implies that the government has played a great role in ensuring that we establish new revenue sources.

On whether all fees from students is timely collected, results in the table above reveal that 55.3% and 10.5% disagreed with the statement, 31.6% agreed while 2.6% were uncertain about the statement. The mean score of 2.55 and standard deviation of 1.058 indicate a low level of agreement. The findings mean that all fees from students is not timely collected and this poses a threat to the performance of the college as they are not always able to meet the set revenue target.

Finally, on whether only students with zero balance seat for exams, results presented in the table above reveal that 39.5% and 18.4% agreed with the statement, 7.9% were uncertain about the statement while 13.2% and 21.1% of the respondents disagreed with the statement. The findings are supported by a mean score of 3.21 and standard deviation of 1.455 which signify agreement with the statement. The findings mean that Only students with zero balance seat for exams and this implies that with such policies in place, the students are compelled to comply and pay their full fees which are crucial in improving the financial health of the college..

The overall mean is (2.80) implying that Financial Performance in Uganda Technical College Lira is at a low level.

An interview respondent stated that;

“All channels through which information concerning financial performance within the technical colleges are clear and every member including the governing council get timely information concerning whatever activities taking place in the college.”

4.5 Effect of Control Environment in Uganda Technical College

This section presents data regarding control environment in Uganda Technical College- Lira.

The data was subjected to analysis and resulting output presented in the table below;

Table 4.7: Showing Responses on Control Environment in Uganda Technical College

Statement	SD	D	N	A	SA	Mean	SD	Comment
The college has finance and human resource policies in place	36.8 %	7.9%	2.6%	28.9%	23.7%	2.95	1.692	Low
An updated organizational structure is in place	26.3 %	21.1 %	10.5%	34.2%	7.9%	2.76	1.384	Low
Policies are regularly reviewed and updated	2.6%	13.2 %	0.0%	39.5%	44.7%	4.11	1.110	Very High
The Board of Directors meet regularly and their meeting minutes are on file	2.6%	10.5 %	2.6%	55.3%	28.9%	3.97	1.000	High
There is a strong work ethic culture in the organization	0.0%	18.4 %	2.6%	39.5%	39.5%	4.00	1.090	Ver High
Management is committed to	2.6%	28.9 %	5.3%	50.0%	13.2%	3.42	1.130	

ensuring that staff get the required training support								Moderate
The control environment has helped improve on financial performance in the organization	5.3%	23.7%	10.5%	55.3%	5.3%	3.32	1.068	Moderate
OVERALL						3.50	1.211	Moderate

Source: Field Data (2024)

Concerning Whether the College has finance and human resource policies in place, results presented in the table above reveal that majority of the respondents 28.9% and 23.7% agreed with the statement, 7.9% and 36.8% disagreed while 2.6% were uncertain about the statement.

The mean score of 2.95 and standard deviation of 1.692 indicate a low variation in responses.

The findings mean that the college has no proper finance and human resource policies in place

On inquiring whether an updated organizational structure is in place, results presented in the table above reveal that 34.2% and 7.9% of the respondents agreed with the statement, followed by 21.1% and 26.3% who disagreed while the least 10.5% were unsure about the statement. The calculated mean score of 2.76 and standard deviation of 1.384 signify that an updated organizational structure is not in place.

Concerning that policies are regularly reviewed and updated, findings presented in the table above reveal that 44.7% and 39.5% majority of the respondents were agreeing to the statement, 13.2% and 2.6% disagreed with the statement. The calculated mean of 4.11 and standard deviation of 1.110 indicate that respondents were agreeing to a very high extent that policies are regularly reviewed and updated.

On whether the Board of Directors meet regularly and their meeting minutes are on file, results presented in the table above reveal that majority of the respondents 55.3% and 28.9% agreed with the statement, followed by 10.5% and 2.6% who disagreed while the least 2.6% were uncertain about the statement. The mean score of 3.97 and standard deviation of 1.000 signify that most of the respondents were highly agreeing that the Board of Directors meet regularly and their meeting minutes are on file.

On whether there is a strong work ethic culture in the organisation, findings in the table above reveal that 39.5% and 39.5% of the respondents agreed with the statement, followed by 18.4% who disagreed and the least 2.6% were uncertain about the statement. The mean score of 4.00 and standard deviation of 1.000 signify that there is a strong work ethic culture in the organisation.

Regarding whether management is committed to ensuring that staff get the required training support, findings in the table above reveal that 50.0% and 13.2% of the respondents agreed with the statement, followed by 28.9% and 2.6% who disagreed while the least 5.3% were uncertain about the statement. The mean score of 3.24 and standard deviation of 1.130 indicates that management is committed to ensuring that staff gets the required training support.

Finally, on finding out whether the control environment has helped improve on financial performance in the organization, findings presented in the table above reveal that 55.3% and 5.3% of the respondents were agreeing with the statement, 23.7% and 5.3% disagreed while the least 10.5% were uncertain about the statement. The mean score of 3.32 and standard deviation of 1.068 indicate that the control environment has helped improve on financial performance in the organization.

Table 4.8 Correlation Matrix between Control Environment on Financial Performance

Correlations

		Control environment	Financial performance
Control environment	Pearson Correlation	1	.423**
	Sig. (2-tailed)		.008
	N	38	38
Financial performance	Pearson Correlation	.423**	1
	Sig. (2-tailed)	.008	
	N	38	38

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Field Data (2024)

Findings in table 4.8 above reveal that there is a positive and significant relationship between control environment and financial performance of UTC Lira at ($r = 0.423$, $P = 0.008$). This implies that when more emphasis is towards ensuring that college established a good and supportive control environment, financial performance is enhanced.

Table 4.9 Model Summary Findings on Effect of Control Environment on Financial Performance

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.423 ^a	.179	.156	.63513

a. Predictors: (Constant), control environment

Source: Field Data (2024)

The R square value (coefficient of determination) shows the magnitude by which the independent variable accounts for the change in dependent variable. As seen in Table 4.9 above, R square value was 0.179 which translates to 29.3%. This implies that the control environment in

UTC Lira account for 17.9% of the variations in Financial Performance while the remaining 82.1% is as a result of other factors.

4.6 Effect of Information and Communication in Uganda Technical College

This section presents data regarding information and communication in Uganda Technical College Lira. The data was subjected to analysis and resulting output presented in the table below;

Table 4.10: Showing Responses on Information and Communication in Uganda Technical College

Statement	SD	D	NS	A	SA	Mean	SD	Comment
The college has clearly established communication channels	0.0%	7.9%	5.3%	44.7%	42.1%	4.21	.875	Very High
There is effective reporting of financial targets to be achieved	5.3%	26.3%	23.7%	31.6%	13.2%	3.21	1.143	Moderate
Established channels of communication permit information sharing	0.0%	18.4%	10.5%	52.6%	18.4%	3.71	.984	High
All staff understand the importance of internal controls	0.0%	21.1%	10.5%	55.3%	13.2%	3.61	.974	High
Management	5.3%	13.2%	15.8%	52.6%	13.2%	3.55	1.058	

has appointed a focal person to coordinate local financial activities									High
Reporting system on organizational structures is clear	39.5%	10.5%	13.2%	23.7%	13.2%	2.61	1.534		Low
Reliable and relevant information from both internal and external is timely captured	7.9%	26.3%	13.2%	44.7%	7.9%	3.18	1.159		Moderate
OVERALL						3.44	1.103		Moderate

Source: Field Data (2024)

On finding out whether the college has clearly established communication channels, findings presented in the table above reveal that 44.7% and 42.1% agreed with the statement, 7.9% disagreed while 5.3% were uncertain about the statement. The findings are supported by a mean score of 4.21 and standard deviation of 0.875 which signify that the college has clearly established communication channels.

Regarding whether there is effective reporting of financial targets to be achieved, findings in the table above reveal that 31.6% and 13.2% of the respondents agreed with the statement,

26.3% and 5.3% disagreed while 23.7% were uncertain about the statement. The mean score of 3.21 and standard deviation of 1.143 indicate that there is effective reporting of financial targets to be achieved.

On whether established channels of communication permit information sharing, findings presented in the table above reveal that 52.6% and 18.4% agreed with the statement, 18.4% disagreed while 10.5% were uncertain about the statement. The mean score of 3.71 and standard deviation of 0.984 indicate that established channels of communication permit information sharing.

On whether all staff understands the importance of internal controls, findings presented in the table above reveal that 55.3% and 13.2% agreed with the statement, 21.1% disagreed with the statement while 10.5% of the respondents were uncertain. The mean score of 3.61 and standard deviation of 0.974 indicate that all staff understands the importance of internal controls.

On whether management has appointed a focal person to coordinate local financial activities, results presented in the table above reveal that 52.6% and 13.2% agreed with the statement, 13.2% and 5.3% disagreed with the statement while 15.8% were uncertain about the statement. The mean score of 3.55 and standard deviation of 1.058 indicate that management has appointed a focal person to coordinate local financial activities.

Similarly, on whether reporting system on organizational structures is clear, results presented in the table above reveal that 23.7% and 13.2% agreed with the statement, 10.5% and 39.5% disagreed while 13.2% were uncertain about the statement. The mean score of 2.61 and standard deviation of 1.534 indicate that reporting system on organizational structures is not clear.

On whether reliable and relevant information from both internal and external is timely captured, findings presented in the table above reveal that 44.7% and 7.9% agreed with the statement, 26.3% and 7.9% disagreed while 13.2% were uncertain about the statement. The mean score of

3.18 and standard deviation of 1.159 indicate that reliable and relevant information from both internal and external is timely captured.

Respondents interviewed said:

“All channels through which information concerning finances in Lira Technical college is open to all stake holders and every member is free to get timely information regarding all activities taking place in the college.”

Table 4.11 Correlation Matrix Between Information and Communication on Financial Performance

		Correlations	
		Information and communication	Financial performance
Information and communication	Pearson Correlation	1	.532**
	Sig. (2-tailed)		.001
	N	38	38
Financial performance	Pearson Correlation	.532**	1
	Sig. (2-tailed)	.001	
	N	38	38

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Field Data (2024)

Findings in table 4.11 above reveal that there is a moderate positive and significant relationship between information & communication and financial performance of UTC Lira at ($r = 0.532$, $P = 0.001$). This implies that when more emphasis is towards ensuring that college established a good information and communication system within the college, financial performance is enhanced.

Table 4.12 Model Summary for Information & Communication and Financial Performance

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.532 ^a	.283	.263	.59372

a. Predictors: (Constant), information & communication

Source: Field data (2024)

The most important value for purposes of the test is the R square value. This is the proportion of variance in the dependent variable (financial performance) which can be explained by one construct (information and communication). This reveals that information and communication has a significant effect on financial performance in Uganda Technical College Lira of Square indicates the Coefficient of Determination which was found to be 0.283 translating to 28.3% which implies that the construct (information and communication) accounted for 28.3% of financial performance in Uganda Technical College Lira. This implies that information and communication influence financial performance by 28.3%. The remaining balance can be explained by other factors that are beyond this study.

4.7 Effect of Control Activities in Uganda Technical College

This section presents data regarding control activities in Uganda Technical College Lira. The data was subjected to analysis and resulting output presented in the table below;

Table 4.12: Showing Responses on Control Activities in Uganda Technical College

Statement	SD	D	N	A	SA	Mean	SD	Comment
There is segregation of roles in the organisation	7.9%	42.1%	13.2%	28.9%	7.9%	2.87	1.166	Low
There is autonomy of individuals in each department while carrying out their duties	10.5%	44.7%	13.2%	31.6%	0.0%	2.66	1.047	Low
There is always approval of financial transaction	23.7%	50.0%	13.2%	10.5%	2.6%	2.18	1.010	Low
There is adequate supervision of Operations within the organization	0.0%	36.8%	13.2%	50.0%	0.0%	3.13	.935	Moderate
The organisation has procedures in place to manage its financial responsibilities	7.9%	42.1%	23.7%	15.8%	10.5%	2.79	1.143	Low
Management is committed to supervision and this has helped to improve performance	10.5%	42.1%	13.2%	28.9%	5.3%	2.76	1.149	Low
Separation of duties exists between procurement, account payables and disbursements.	23.7%	28.9%	23.7%	13.2%	10.5%	2.58	1.287	Low
OVERALL						2.31	1.105	Low

Source: Field Data (2024)

On whether there is segregation of roles in the organisation, findings presented in the table reveal that 28.9% and 7.9% agreed with the assertion, 42.1% and 7.9% disagreed while 13.2% were uncertain about the statement. The mean score of 2.87 and standard deviation of 1.166 indicates that there is no segregation of roles in the organisation.

On whether there is autonomy of individuals in each department while carrying out their duties, findings presented in the table above reveal that 31.6% of the respondents agreed with the statement, followed by 44.7% and 10.5% disagreed while 13.2% were unsure about the statement. The mean score of 2.66 and standard deviation of 0.047 indicate that there is autonomy of individuals in each department while carrying out their duties to a low level.

Concerning whether there is always approval of financial transaction, results presented in the table above show that 10.5% and 2.6% of the respondents agreed with the statement, 50.0% and 23.7% disagreed while 13.2% were uncertain. The mean score of 2.18 and standard deviation of 1.010 indicate that there is always approval of financial transaction to a low level.

Regarding whether there is adequate supervision of Operations within the organization, findings presented in the table show that majority of the respondents 50.0% agreed with the statement, 36.8% disagreed while 13.2% were uncertain about the statement. The mean score of 3.13 and standard deviation of 0.935 indicate that there is adequate supervision of operations within the organization.

On whether the organisation has procedures in place to manage its financial responsibilities, findings in the table above show that 15.8% and 10.5% agreed with the statement,

42.1% and 7.9% disagreed while 23.7% were uncertain. The mean score of 2.79 and standard deviation of 1.143 indicate that the organisation has procedures in place to manage its financial responsibilities to a low level.

On whether management is committed to supervision and this has helped to improve performance, results presented in the table above reveal that 28.9% and 5.3% agreed with the assertion, followed by 42.1% and 10.5% who disagreed while the least 13.2% were uncertain about the statement. The mean score of 2.79 and standard deviation of 1.149 indicate that management is committed to supervision and this has helped to improve performance to a low level.

Concerning whether separation of duties exists between procurement, account payables and disbursements, findings presented in the table above reveal that 13.2% and 10.5% of the respondents agreed with the statement, 28.9% and 23.7% disagreed while 23.7% were uncertain about the statement. The mean score of 2.58 and standard deviation of 1.287 indicate that Separation of duties exists between procurement, account payables and disbursements.

Table 4.13 Correlation Matrix Between Control Activities and Financial Performance

		Correlations	
		Control activities	Financial performance
Control activities	Pearson Correlation	1	.706**
	Sig. (2-tailed)		.000
	N	38	38
Financial performance	Pearson Correlation	.706**	1
	Sig. (2-tailed)	.000	
	N	38	38

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Field Data (2024)

Findings in table 4.13 above reveal that there is a moderate positive and significant relationship between information & communication and financial performance of UTC Lira at ($r = 0.706$, $P = 0.000$). This implies that when more emphasis is towards ensuring that good control activities, financial performance are enhanced.

Table 4.14 Model Summary Findings on Control Activities and Financial Performance

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.706 ^a	.498	.484	.49651

a. Predictors: (Constant), control activities

Source: Field Data (2024)

The R square value shows the magnitude by which the independent variable accounts for the change in dependent variable. As seen in Table 4.14 above, R square value was 0.498 which translates to 49.8%. This implies that control activities account for 49.8% of Financial Performance in the college. The P value was 0.000 which is less than the significance level of 0.05; therefore, there was a significant effect of control activities in influencing Financial Performance in Uganda Technical College Lira.

Table 4.15 Effect of Internal Controls on Financial Performance

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.759 ^a	.577	.539	.46928

a. Predictors: (Constant), control activities, control environment, information & communication

Source: Field data (2024)

The model summary in table 4.15 above using predictor control activities, control environment, information & communication reveals that R Square value is 0.577. This implies that 55.7% (0.577*100) variations in financial performance is explained by control activities, control environment, information & communication while the remaining 42.3% is explained by other factors. The findings imply internal controls have a significant contribution towards financial performance UTC Lira. The researcher also ran regression analysis to ascertain the individual contributions of the dimensions of fiscal decentralization on performance. The results are presented in table 4.9 below.

Table 4.16 Regression Coefficients

Coefficients^a					
Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	.387	.412		.938	.355
1 Control environment	.269	.159	.298	1.692	.100
Information communication	-.015	.172	.017	.085	.933
Control activities	.581	.120	.651	4.849	.000

a. Dependent Variable: financial performance

Source: Field data (2024)

Results in table 4.15 indicate that internal controls through control environment, information and communication and control activities all have a positive effect on financial performance. For example, control activities have a positive contribution of 0.651 on financial performance while control environment has a positive contribution of 0.298 on financial performance and

information and communication has a positive contribution of 0.017. The results therefore imply that 100% improvement in control activities at the college yields 65.1% positive improvement in financial performance while 100% improvement in control environment yields a 28.9% of positive improvement in financial performance and finally, 100% improvement in information and communication yields 1.7% improvement in financial performance. Therefore, control activities and control environment are moderate significant predictors of financial performance while information and communication is a weak predictor of financial performance.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter discusses and interprets the research findings while examining the extent to which the study achieved the set specific objectives. The findings were triangulated with other studies to strengthen the analysis. Study also discusses and explains the results and their relationship to set research questions

5.2 Effect of Control Environment on Financial Performance

Basing on the study finding, the average mean value of 3.50 indicated high agreement level with that control environment affect financial performance in Uganda Technical College Lira. This reveals that control environment has a significant effect on financial performance in Uganda Technical College Lira of R Square indicates the Coefficient of Determination which was found to be 0.179 translating to 17.9% which implies that the construct (control environment) accounted for 17.9% of financial performance in Uganda Technical College Lira. In terms of relationship, there is a positive and significant relationship between control environment and financial performance of UTC Lira at ($r = 0.423$, $P = 0.008$). These findings are supported by Peat Marwick (2008) who revealed that controls arising from effective and clear company policies and practices contribute closely to 55% in preventing the would-be fraud which would lead to loss of institutional finances. Further still, Duggar (2011) stated that integrity created a highly valued work environment providing a foundation for solid long-term financial performance.

5.3 Effect of Information and Communication on Financial Performance

The study revealed that information and communication has a significant effect on financial performance in Uganda Technical College Lira. The R Square indicates the Coefficient of Determination which was found to be 0.283 translating to 28.3% which implies that the construct (information and communication) accounted for 28.3% of financial performance in Uganda Technical College Lira. Similarly, findings indicated that there is a moderate positive and significant relationship between information & communication and financial performance of UTC Lira at ($r = 0.532$, $P = 0.001$). These findings are supported by (Alhassan, 2018). who assert that reliable and relevant and realistic information from both internal and external sources must be identified, captured, processed, and communicated to the people who need it in a form and timeframe that are useful. The findings further concur with (Theofanis et al, 2011) who stated that effective communications should occur in a wider sense with information within the various sections of the organization.

5.4 Effect of Control Activities on Financial Performance

Findings revealed that R square value was 0.498 which translates to 49.8%. This implies that control activities account for 49.8% of Financial Performance in the college. The P value was 0.000 which is less than the significance level of 0.05; therefore, there was a significant effect of control activities in influencing Financial Performance in Uganda Technical College Lira. The findings are in tandem with Tunji (2013) who assert that functional segregation of responsibilities (authorisation, recording, custody and reconciliation) to different individuals helps organisations to check abuses that can derail an organisation and this consequently improves its performance. Similarly, Chiezey and Agbo (2013) revealed that if organisations

strengthen their internal control systems and their supervisory role, they are able to check and curtail the incidence of fraudulent activities.

5.5 Conclusions

5.5.1 Effect of Control Environment on Financial Performance

From the findings, the study concludes that control environment plays a significant role towards ensuring proper financial performance in the college. This implies that when emphasis is put towards ensuring that a conducive control environment with proper policies and procedures are in place, financial performance is enhanced within the college. The study further concludes that not having proper policies within the college can negatively impact the financial performance of the college.

5.5.2 Effect of Information and Communication on Financial Performance

The research concludes that information and communication is the least contributor to financial performance. It is also evident that not having proper information and communication can significantly affect the level of financial performance within the college. There is effective reporting of financial targets to be achieved and this creates clarity on who and when targets are expected to be achieved.

5.5.3 Effect of Control Activities on Financial Performance

The study concludes that control activities significantly contribute to financial performance within the college. Therefore, when more emphasis is put towards ensuring improved control activities, financial performance is improved as well. It is also evident that there is no segregation of roles in the organisation and this may create confusion in transaction handling hence resulting into losses.

5.5.4 Financial Performance

The study concludes that the college always starts a new academic year with no profits and this affects the operations of the college since funds profitability greatly contributes towards smooth running of the college. The college also rarely have increases its assets from time to time and this affects their financial performance. the college does not grow to cater for the increasing numbers hence implying that only expenditure they are certain of incurring are catered for in the budgets and this a clear indicator that the College has no capacity to address any unforeseen circumstances.

5.6 Recommendations

The recommendations from the present study are offered in this section. The recommendations are presented objective by objective.

5.6.1 Effect of Control Environment on Financial Performance

From the study findings about the effect of control environment on financial performance in Uganda Technical College Lira, the researcher made the following recommendations:

The management of the college needs to refocus and put more emphasis on ensuring that a conducive control environment is created within the college. This can be realized through ensuring that policies regarding human resource, financial and other policies that directly govern systems are in place.

The management of the college should as well come up with clear codes that will help govern relations among the staff within the college. This can be released by ensuring that there are clear structures and reporting lines within the college.

5.6.2 Effect of Information and Communication on Financial Performance

The management of the college should consider establishing alternative communication means as opposed to those already existing. This shall help in ensuring that clear channels through which communication can be passed are clear and well known to all staff.

The management should put more emphasis on routine communication of all financial targets to the staff more so those in charge of the finance office as this shall help in planning for all available finances within the college.

5.6.3 Effect of Control Activities on Financial Performance

The management of college should as well put more emphasis on ensuring that control activities are routinely monitored as these shall help in ensuring that all procedures are proper followed within the college. Segregation of duties should be prioritized as this shall help in reduces chances of committing fraud by college staff as different people can handle the same transaction.

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APPENDIX I QUESTIONNAIRE

Dear participant,

My name is Diogo Daniel, a postgraduate student of Uganda Christian University, pursuing a Masters' Degree in Business Administration. I am currently undertaking a research on "*Internal Control System and Financial Performance of Uganda Technical College Lira.*" You have been selected to take part in this study because of the important position you occupy and believing that valuable information will be got from you that may be helpful to policy makers. The study is purely for academic purposes and all your responses will be treated with at most confidentiality.

Kindly, complete the questionnaire and return it to the researcher.

Thank you in advance

Yours faithfully

Diogo Daniel

.....

Student

SECTION A: BIO-DATA OF RESPONDENTS

Please, tick the right option or fill the right answer in the spaces provided

A2. Age range

i.20 years and below	ii. 21-30yrs	iii.31-40yrs	iv.41-50yrs	v.51-above
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

A3. Gender

i. Male ii. Female

A4. Highest level of Education

Certificate Diploma Degree Masters

A5. Work Experience

1. Less than a year 2. 1- 3 years 3. 4-6 years
 4. 7-9 years 5. Above ten years

SECTION B: Internal Controls and Financial Performance

Please, use the scale below to answer the questions that follows by ticking the number that corresponds to your opinion.

1	2	3	4	5
Strongly disagree	Disagree	Neutral	Agree	Strongly agree

SECTION B: Control Environment

NO	Statement	1	2	3	4	5
B1	The college has finance and human resource policies in place					
B2	An updated organizational structure is in place					
B3	Policies are regularly reviewed and updated					
B4	The Board of Directors meet regularly and their meeting minutes are on file					
B5	There is a strong work ethic culture in the organisation					
B6	Management is committed to ensuring that staff get the required training support					
B7	The control environment has helped improve on financial performance in the organization					

SECTION C: Information and Communication

NO	Statement	1	2	3	4	5
C1	The college has clearly established communication channels					
C2	There is effective reporting of financial targets to be achieved					
C3	Established channels of communication permit information sharing					
C4	All staff understand the importance of internal controls					
C5	Management has appointed a focal person to coordinate local financial activities					
C6	Reporting system on organizational structures is clear					
C7	Reliable and relevant information from both internal and external is timely captured					

SECTION D: Control Activities

NO	Statement	1	2	3	4	5
D1	There is segregation of roles in the organisation					
D2	There is autonomy of individuals in each department while carrying out their duties					
D3	There is always approval and confirmation of financial transaction					
D4	There is adequate supervision and monitoring of Operations within the organization					
D5	The organisation has procedures in place to manage its financial responsibilities					
D6	Management is committed to supervision and this has helped to improve performance					

D7	Separation of duties exists between procurement, account payables and disbursements.					
----	--	--	--	--	--	--

SECTION E: Financial Performance

NO	Statement	1	2	3	4	5
E1	The college always has enough assets to start a new academic year					
E2	There is enough space to support the growing numbers					
E3	Profits generated are good enough to support other program					
E4	The college has an increase in assets financing activities					
E5	The government has played a great role in ensuring that we establish new asset base.					
E6	All profits from students is timely allocated					
E7	Student numbers have grown to full capacity					

Appendix II: Interview Guide

1. What opinion would you give as regards to the Control Environment in the college?

.....
.....

2. What is your view regarding control activities in relation to financial performance?

.....
.....

3. Do you think the information and communication channels in the college are adequate?

.....
.....

4. What is your view pertaining the general financial performance at the college

.....
.....


5. Is there any other information that you would like to share with this current research in relation to internal controls and financial performance?

.....
.....

Your contribution is highly appreciated.

Thank You

Appendix III: Research field letter

 **UGANDA CHRISTIAN UNIVERSITY, MBALE UNIVERSITY COLLEGE.**
A Centre of Excellence in the Heart of Africa

BUSINESS DEPARTMENT

To: PRINCIPAL
UTC-LIRA


Dear Sir/Madam,


Re: Academic Research

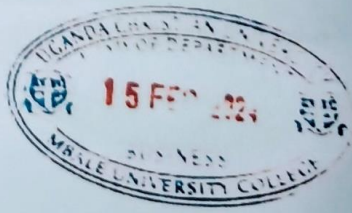
Christian greetings!

We are honored to introduce to you Mr. Mrs. /Miss DIOGO DANIEL
Of Registration Number: M22/MUCIMBA/015 pursuing a Masters' Degree Postgraduate Diploma / Bachelor's Degree MASTER'S DEGREE IN BUSINESS ADMINISTRATION
He/she is required to carry out an academic research on the topic INTERNAL CONTROL SYSTEMS AND FINANCIAL PERFORMANCE OF UGANDA TECHNICAL COLLEGES and thereafter produce a well bound hard cover research report (MAROON) in color for undergraduate and three (BLACK) copies for Postgraduate students as a University requirement for the award of a degree/diploma in the academic discipline that he / she is pursuing.

We shall be grateful for the help you may offer to him or her accordingly.
Thank you.
Yours faithfully,


HEAD OF DEPARTMENT BUSINESS UCU-MUC
Henry Omache Ogachi





Appendix IV: Post Viva Report



UGANDA CHRISTIAN UNIVERSITY

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SCHOOL OF RESEARCH & POSTGRADUATE STUDIES

DISSERTATION CORRECTION COMPLIANCE REPORT BY THE CANDIDATE (POST VIVA FORM)

Date: 03/09/2024

Name of Candidate: DIOGO DANIEL Reg. No: M22/MUC/MBA/015

Title of Dissertation INTERNAL CONTROL SYSTEMS AND FINANCIAL PERFORMANCE OF UGANDA TECHNICAL COLLEGES. A CASE OF UGANDA TECHNICAL COLLEGE LIRA.

SN	COMMENTS BY EXTERNAL EXAMINER	ACTION TAKEN	INDICATOR
1	The title of the research should be improved on to read " <i>a case instead of Cases study</i> "	Corrected	Cover page
2	The cover page indicates that this is a proposal yet what is inside the documents shows that it is actually a dissertation. Let this be addressed	Corrected	Cove page
3	The entire document is not page numbered. Preliminary pages should be numbered appropriately and the substantive part numbered differently.	Numbered	Whole document
4	There is a page is an empty list of tables, I believe if there are no tables within the document, this page should be deleted. If there are tables, then it should be populated.	Table inserted	ix
5	The list of abbreviations should be arranged in alphabetical order to ease reading.	Arranged in alphabetic order	x

6	The abstract has a mix up of relationship desires and effect/ contribution findings. These should be aligned.	Aligned	Xi
7	The entire problem statement is devoid of any academic citation. The only citations are in form of reports which are non-academic and not even easily accessible to your readers. Reconsider the writing of this section since it is at the core of the entire study	Written as expected	7
8	Review the entire referencing. Majority of the references cited in the text are not within the references list. This is very dangerous in the academic world as it signals plagiarism.	Entire document	Whole document

SN	COMMENTS BY INTERNAL EXAMINER	ACTION TAKEN	INDICATOR
1	Great effort to the study problem, however, the candidate can improve on this section by providing credible statistics clearly showing the trend of financial performance.	Worked on	Page 7 & 8
2	The candidate should avoid use of old sources of information unless where inevitable. The candidate should highlight the gaps that need to be filled by the study, and pointing out the weaknesses of the studies or the deficiencies in the literature and how the present study has or will address them. The candidates should also show how the theories inform the study objectives.	Corrected	Entire document
3	Following from the methods used, the candidate presented the findings in a standard format.		
4	<p>The candidate made a good summary of findings and how they compared with findings from other studies.</p> <p>This section is fairly well presented and concise in structure and content except qualitative analysis was not done. The student is advised to include qualitative analysis.</p>		
5	This should be in line with the current study findings or shortcomings.	Corrected	

SN	COMMENTS BY VIVA VOCE PANNEL	ACTION TAKEN	INDICATOR
1	Re- conceptual framework- Dependent variable	Done	Addressed
2	The candidate should number the document	Whole document numbered	Entire document numbered
3	Improve on the statistic in the problem statement	Improved	7&7

Diogo Daniel

Candidate's Name Signature

Mr. Maena Daniel

Supervisor's Name Signature