**INTERNAL AUDITING AND FINANCIAL PERFORMANCE OF SAVINGS AND CREDIT COOPERATIVES (SACCOs) IN UGANDA: A CASE STUDY OF**

**WAZALENDO SACCO – ENTEBBE BRANCH**

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**Introduction**

The study was about internal auditing and financial performance of Savings and Credit Cooperatives (SACCOs) in Uganda, focusing on Wazalendo SACCO – Entebbe Branch as a case study.

**Study Objectives**

1. To establish whether internal audit standards are complied with to enhance financial performance in Wazelendo SACCO-Entebbe Branch.
2. To establish whether monitoring and control activities enhance financial performance of Wazelendo SACCO-Entebbe Branch.
3. To examine whether credit risk management practices enhance financial performance of Wazelendo SACCO-Entebbe Branch.

**Methodology**

The study used a target population of 1000 selected from WSACCO staffs and a sample of 286 respondents was selected using Neumann’s formula (2000), but 265 respondents were considered for data analysis. Cross-section research design was employed and both quantitative and qualitative approaches of data collection were used. Data collection methods such questionnaires, interview, and documentary review were used. SPSS was used to compute raw data collected from the field.

**Key Study Findings**

Findings indicated that compliance with internal audit standards, monitoring and control activities and credit risk management practices have enhanced financial performance in WSACCO-Entebbe Branch, combined can explain 62.9% of the variance in financial performance (Adjusted R² = 0.629 and p≤0.01), implying that other factors other than these three are responsible for the 37.1% variance in financial performance.

**Recommendations**

The study recommended that WSACCO management should keep organizing seminars and workshops whereby internal auditors would be trained frequently by experts either internally or externally. Internal Auditors must have sufficient proficiency and training to carry out the tasks assigned to them. The auditor’s work must be carefully directed, supervised and reviewed.

**References**

Bou-Raad, G. (2010) *Internal Auditors and a Value-added Approach*: The New Business Regime’, Managerial Auditing Journal, 15: 182—86.

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