

Internal controls and financial performance Of Savings and Credit Co-Operative Societies (SACCOS): A Case Study of Wazalendo SACCO

Nambi Robinah⁴⁷

Keywords: *Internal Controls, Segregation of Duties, Authorization of Controls, Risk Assessment, Financial Performance.*

Introduction

The study examined the effect of internal controls on the financial performance of Wazalendo SACCO in Entebbe.

Study objectives

1. To examine the impact of segregation of duties on the financial performance of Wazalendo SACCO,
2. to determine the effect of authorization controls on the financial performance of Wazalendo SACCO
3. to evaluate the effect of risk assessment on the financial performance of Wazalendo SACCO.

⁴⁷ Nambi Robinah graduated in February, 2021 Msc. Accounting and Finance from Nkumba University



Methodology


The study used a case study research design involving both quantitative and qualitative data. The study sampled 60 respondents from a target population of 100. Out of the 60 questionnaires distributed, only 54 were returned giving a response rate of 90%. The study used both questionnaire surveys and interviews as the data collection methods. Cleaned data were analysed using both statistical and narrative methods. Tables were used to interpret, summarize, justify and conclude the study. Inferential statistics from each objective were analysed. Qualitative data analysis was made using content analysis technique

Key findings

The study found that segregation of duties had a weak positive influence on the performance of the SACCO, which was established as (beta value=0.008, $t=19.417$, $P<.000$). The study also revealed that authorization controls had a weak positive influence on the performance of the SACCO, which was established as (beta value=.041, $t=11.027$, $P<.000$). The study finally revealed that risk assessment had a weak positive influence on the performance of the SACCO, which was established as (beta value=.312, $t=3.489$, $P<.001$).

Key recommendations

The study recommended that the internal audit section should be responsible to the organization audit committees and audit management with sufficient authority, to promote independence and to ensure the



organization's broad audit coverage, adequate consideration of audit reports, and appropriate action on auditor's recommendations.

Key references

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