

**INTERNAL CONTROL SYSTEMS AND PERFORMANCE OF GOVERNMENT
INSTITUTIONS IN KABALE DISTRICT:
A CASE OF KABALE REGIONAL REFERRAL HOSPITAL**

BY

KIHEMBO GRACE



2019/A/MBA/013/W

**A DISSERTATION SUBMITTED IN PARTIAL FULFILMENT OF THE
REQUIREMENT FOR THE AWARD OF MASTER OF BUSINESS ADMINISTRATION
OF KABALE UNIVERSITY**

MAY 2022

DECLARATION

I, Kihembo Grace, declare to the best of my knowledge that this dissertation is as a result of my own effort and has never been submitted for any academic award to any other university or institution of higher learning.

Signature:  Date: 

KIHEMBO GRACE

REG.NO.2019/A/MBA/13/W

APPROVAL

This Research Dissertation has been carried out under our supervision on the topic “*Internal control systems and Performance of Government Institutions in Kabale District, a case of Kabale Regional Referral Hospital*” and is now ready for further examination.

Signature:



Date:



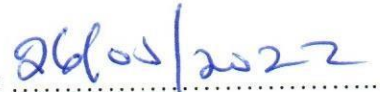
Dr. MARUS ETON

(SUPERVISOR)

Signature:



Date:



Dr. BYAMUKAMA ELIAB MPORA

(CO-SUPERVISOR)

DEDICATION

I dedicate this work to my parents: Mr. Bitarabeho Peter and Mrs. Victoria Bitarabeho, my husband, Mr. Sebalimba Edward and my lovely daughters: Uwera Josephine, Umutoni Joan, Uwamahoro Jeanne and Umuhoza Jasmine, and all the students of the Master's Class Kabale University.

ACKNOWLEDGEMENTS

I extend my heartfelt gratitude to the Almighty God for all He has given me and for enabling me to reach this far.

I wish to acknowledge all those who in one way or the other assisted me to complete this study.

I am greatly indebted to my family: My husband; Mr. Sebalimba Edward and my children; Uwera Josephine, Umutoni Joan, Uwamahoro Jeanne and Umuhoza Jasmine, for the financial and moral support they gave me during this time of study. Thank you for being available for me during my busy schedules and absence as a mother in the family. May God richly bless you.

My sincere gratitude goes to my supervisors: Dr. Marus Eton and Dr. Byamukama Eliab Mpora for the guidance they rendered towards accomplishment of this dissertation, and my lecturers, especially Professor Kaaya Siraje, Dr. Sunday Arthur and Dr. Abanis Turyahebwa. My appreciation goes to the Finance Department staff especially, Ms. Arinaitwe Perpetua, for the material support and assistance, encouragement and cooperation they extended to me during my study.

My heartfelt gratitude goes to the entire management and staff of Kabale University for giving me the opportunity to undertake this course, for the advice and encouragement throughout my study. May The Almighty God reward all of you abundantly!

TABLE OF CONTENTS

DECLARATION	i
APPROVAL	ii
ACKNOWLEDGEMENTS.....	iv
TABLE OF CONTENTS	v
LIST OF TABLES AND FIGURES.....	viii
LIST OF ABBREVIATIONS.....	ix
ABSTRACT	x
CHAPTER ONE	1
INTRODUCTION	1
1.1 Introduction	1
1.2 Background of the Study.....	1
1.3 Statement of the problem	5
1.4 General Objective	6
1.5 Specific Objective	6
1.6 Research Hypotheses	7
1.7 Significance of the Study	7
1.8 Justification of the study	8
1.9 Scope of the Study	8
1.10 Conceptual Framework.....	9
1.11 Operational definitions	11
CHAPTER TWO	12
LITERATURE REVIEW.....	12
2.1 Introduction	12
2.2 Theoretical Review	12
2.3 Conceptual review	14
2.4 Control Environment and Performance	15
2.5 Control Activities and Performance.....	17
2.6 Risk Assessment and Performance	19
2.7 Related Studies	21
2.8 Research Gaps	22

CHAPTER THREE.....	24
METHODOLOGY	24
3.1 Introduction	24
3.2 Research Design	24
3.3 Study Population	24
3.4 Sample size and selection	25
3.5 Source of Data	27
3.6 Data Collection Methods.....	28
3.7 Data collection instruments	29
3.8 Data Quality Controls.....	30
3.9 Data Processing, Analysis and Presentation.....	32
3.10 Ethical Considerations	33
3.11 Limitations of the study	34
CHAPTER FOUR.....	35
PRESENTATION, ANALYSIS AND INTERPRETATION	35
4.1 Introduction	35
4.2 Response rate.....	35
4.3 Respondents' Bio data.....	35
4.4 Descriptive Analysis	36
4.5 Inferential analysis	42
4.6 Discussion of the results.....	47
CHAPTER FIVE	53
SUMMARY, CONCLUSIONS AND RECOMMENDATIONS	53
5.1 Introduction	53
5.2 Summary of findings.....	53
5.3 Conclusions	53
5.4 Recommendations.....	55
5.5 Areas for further study	56
REFERENCES	57
Appendix I: Questionnaire for Administration Staff, Medical Officers and Department Heads at Kabale Regional Referral Hospital	67
Appendix Ii. Interview Guide for Directors at Kabale Regional Referral Hospital.....	70

Appendix III: Documentary Checklist	71
Appendix IV: Results of Cronbach's Alpha.....	72

LIST OF TABLES AND FIGURES

Figure 1.10.1: Conceptual framework.....	100
Table 3.4.1: Population categories	26
Table 3.8.1: Reliability tests	31
Table 4.3.1: Respondents' Bio data	36
Table 4.4.1: Internal Control systems	37
Table 4.5.1: Correlation Tests	43
Table 4.5.2: Regression coefficients	44
Table 4.5.3: Hypothesis Testing	46

LIST OF ABBREVIATIONS

AAA	American Accounting Association,
AICPA	American Institute of Certified Public Accountants
COSO	Committee of Sponsoring of the Trade Way Commission
CVI	Content Validity Index
FEI	Financial Executive Institute
FP	Performance
ICS	Internal Control Systems
IFRSs	International Financial Reporting Standards
IIA	Institute of Internal Auditors,
IMA	Institute of Management Accountants,
KRRH	Kabale Regional Referral Hospital
SPSS	Statistical Package for Social Sciences

ABSTRACT

The study was about internal control systems and performance in government institutions in Kabale district, a case of Kabale Regional Referral Hospital. The objectives of the study were; to examine the effect of control environment on performance at Kabale Regional Referral Hospital; to determine the influence of control activities on performance of Kabale Regional Referral Hospital; to examine the effect of risk assessment on the performance of Kabale Regional Referral Hospital. The study adopted a cross-sectional research design with both quantitative and qualitative approaches. A sample size of 110 respondents from a population of 210 respondents participated in the study. The findings indicate that control environment, control activities and risk assessment significantly affect performance of KRRH. This study therefore concludes that internal control systems have a significant effect on the performance of KRRH. The study therefore recommends that Kabale Regional Referral Hospital management should ensure continuous training and awareness of internal controls. This will enlighten the staff about internal controls and performance within the Hospital.

CHAPTER ONE

INTRODUCTION

1.1 Introduction

This study brings out the effect of internal control systems and performance in Government Institutions in Kabale District. Many scholars have assumed that organizations can perform well financially in the presence of internal controls systems (ICS). They argue their case from the viewpoint that internal controls promote accountability and reporting, especially in public institutions (Local Government Finance Commission 2003, p.32). They, however, seem to ignore the environment within which internal controls are built, which is always volatile and prone to users and the system as a whole (Hayes, 2005, p. 823). This study therefore discusses the nexus between internal controls and the performance of local governments from a performance perspective. In this chapter the researcher presents the background to the study, the statement of the problem, study objectives, and the conceptualization. The study presents ICS as the predictor of the variations in performance.

1.2 Background of the Study

This sub-section presents the debate on internal control systems and performance over time. The focus is on the ontological, epistemological, methodological and empirical perspectives of the ICS.

1.2.1 Historical Background

The origins of the concept of Internal Control Systems (ICS) can be traced from as back as the end of World War II when scientific management took shape in organizations (Oxley Act, 2002).

From that time, the public started demanding public institutions to account for public resources, which steadily resulted into the need for effective internal control systems. Most of the issues raised that called for the effectiveness of internal control systems are documented in the 1992 COSO Model, which aimed at improving the strength of the controls used in government institutions (Oxley Act, 2002).

Debates on the performance from the perspective of internal controls system date way back in the middle of the 20th century. Following the frauds that marred trade organizations at the time, James Tradeway drafted a report on the inappropriate conduct of professionals in financial reporting. In its original release on internal control, the framework sets the structures for an effective system of internal control. The report defines internal control as process designed by management to offer testable measures that aim at maximizing the reporting and compliance in the organization (Oxley Act, 2002).

The American Institute of Certified Public Accountants (AICPA) defines internal control as a set of procedures and structures which an organization implements to ensure safety of her assets and records. The idea embedded herein connotes checks and balances within the finance department that minimizes errors and protects assets, especially cash. A report from South Africa (The South African Institute of Internal Auditors, 2010) shows that their control environment fell short of the internal control standards due to the absence of internal controls and the organizational size. In Nigeria, the managing Director of Cadbury Nigeria Plc. lost his job for exaggeration of the company's performance (Cadbury Annual Report, 2006). The Director's performance report lacked the systems of controls to ensure superior performance, which called for an investigation to the allusion.

In Uganda, efforts to safeguard public resources and improvement in service delivery have been achieved through the enactment of national laws particularly, the National Constitution, Local Government Act, Finance and Accountability Act, 2003, etc. (Komuhangi, 2005). The Finance and Accountability Act, 2003 came into play to ensure sound performance that includes but is not limited to reliability of financial reports, sound organizational operations, and compliance.

1.2.2 Theoretical Background

This study builds on the Agency Theory that was advanced by Jensen and Meckling (1976) and amplified by Mohammad (2010). The theory explains the relation between the owners of economic resources (the principals) and managers (the agents) who are charged with using and controlling those resources (Jensen & Meckling, 1976). The theory assumes that due to the information asymmetry between the agents and the principals, the principals' ability to monitor their own interests is subtle. The theory further assumes that the principals and agents operate rationally to maximize their wealth, which births the 'moral hazard' problem (Jensen & Meckling, 1976). This therefore suggests that agents find it hard to represent the interests of their principals owing to the much information they have about the economic resources as monitors.

Given the current study, the principal agents' theory helps in explaining the nexus between internal control systems and performance of local governments. Public servants (agents) act on behalf of the citizens (principals) to ensure the interests of the citizens are realized. The institution of internal controls helps the principals to execute their duties responsibly, procedurally, and in compliance with the contractual laws, which in this case are the internal controls. Internal controls provide an assurance to the public regarding the performance of any public entity (Ray & Kurt; 2011).

1.2.3 Conceptual Background

This study revolved on the two concepts including Internal Control systems and Performance. Internal Control systems refer to the process designed by the managerial and personnel organs of the organization to ensure reliable reports, and efficient compliance to regulations (Gray, 2018). The control environment relates to the extent to which government institutions observe ethics and integrity in their operations, which enable them to remain authoritative and responsible to stakeholders. The control environment helps government institutions to retain competent staff attractive incentives and rewards, and ensure rigor in their performance (COSO, 2013).

Control activities relate to policies and procedures that help an organization to manage risks that would deter attainment of long-term goals. On the other hand, risk assessment relates to the the identification and assessment of risks that would otherwise prevent an organization from attaining their objectives. In the context of government, the process ensures the effectiveness and efficiency of government institutions as measured in terms of their performance (Oduware, 2013). These concepts aggregately provide an operational definition of internal control systems. As used in this study, internal control systems refer to the objective assessment of an organization's performance from the perspective of control environment, control activities and risk assessment components.

Performance is the measure of an organization's efficiency, profitably, survival, and growth in response to external shakers (Stoner, 2015). According to COSO (2013), performance measures an organization's budget and accounts performance. Specifically, budgetary management measures and tracks changes in earnings and expenditures (Scott, 2006). The mode of accountability accuracy and timeliness of operations is essential for decision making. The

International Financial Reporting Standards (IFRSs) points that financial reports become relevant when produced on time. According to IFRS standards, a good financial report would come out within two months after the financial year ends.

1.2.4 Contextual Background

Kabale Regional Referral Hospital (KRRH) is a public health facility at a referral level. The hospital, which is located in Kabale Municipality lies 426 kilometer away from Kampala has a 280-bed capacity. The hospital serves patients from the Kabale and her surrounding districts to Congo and Rwanda. As a government hospital, KRRH operates on the mission of providing quality, sustainable, general, and specialized public health services to all people in Kigezi region.

Despite the hospital's mission, which is printed in white and black, KRRH has registered a decline in the performance over the years. The hospital implements internal control systems to ensure performance and financial accountability. Despite the financial controls in place such as the persistent implementation of the Integrated Financial Management System, the hospital continuously loses public money. According to Auditor General Report, 2018, the hospital is weak at accountability and controlling illegal expenses. There is still little evidence to associate the loss of public money to weak internal controls. Given this predicament in KRRH, the current study was conducted to ascertain the nexus between internal controls systems and financial accountability.

1.3 Statement of the problem

Internal controls provide the protocols and procedures to ensure order and cohesion in government operations, which support performance. Steinhoff (2005) contends that most organizations fail to secure organizational performance for failure to understand failure of

internal controls. Kabale Regional Referral Hospital has over the years implemented internal controls to manage financial operations. Evidence from Auditor General Report, 2014 indicates control environment, risk assessment, monitoring, and control activities as key internal controls in KRRH. Notwithstanding the internal controls in the hospital, the report further presents some gaps in the hospital's performance. For example, the report cites expenditures outside the budget, operations outside the partner funders' agreements, staffing gaps, poor fleet management, and weakness in procurement proceedings (Audit Report, 2017). Consequently, poor budget performance, poor accountability, non-compliance with policies and regulations. Unless the loopholes in the internal control are addressed with urgency, the hospital is likely to lose partner funding, register budget overruns, procurement losses, and low staff productivity, which might affect the hospital's performance. Given this predicament in KRRH, the current study was conducted to ascertain the nexus between internal controls systems and financial accountability.

1.4 General Objective

This study was conducted to examine the predictive influence of internal control systems on the performance Government Institutions in Kabale District, with reference to KRRH.

1.5 Specific Objective

- i. To examine the effect of control environment on performance at Kabale Regional Referral Hospital.
- ii. To determine the influence of control activities on performance at Kabale Regional Referral Hospital.
- iii. To examine the effect of risk assessment on the performance at Kabale Regional Referral Hospital.

1.6 Research Hypotheses

This study tested the following null hypotheses that were derived from the specific objectives.

H₁: Control environment is not significantly related with the performance at Kabale Regional Referral Hospital.

H₂:Control activities are not significantly related with the performance at Kabale Regional Referral Hospital.

H₃:Risk assessment is not significantly related with the performance at Kabale Regional Referral Hospital.

1.7 Significance of the Study

The findings of the study can help managers of public institutions to perform in accordance with Public Finance Management procedures and regulations. PFM ensures proper financial reporting, transparency, and accountability.

The findings can be used by KRRH management to identify weaknesses in the audit department and strengthen her internal controls, which are likely to improve financial accountability in public institutions.

From the knowledge perspective, the study can provide academicians with up-to-date information on internal control systems and performance. The methods that have been used can be employed in studying related variables in future. Above all, the study has established testable and empirical-based relations between internal control systems and performance.

From a policy perspective, the findings of the study can provide relevant information to policy and decision makers at regional referral hospital in Uganda to design policies that improve operations of public health facilities.

1.8 Justification of the study

All public institutions implement performance and accountability reforms to strengthen internal control systems and public service delivery. Notwithstanding, these institutions continue registering poor performance. Government institutions lack proper accountability mechanisms, show poor financial reporting, and present unqualified audit reports, all of which are associated to weak internal control systems. However, the extent to which internal control systems affect KRRH is still not very clear.

1.9 Scope of the Study

1.9.1 Geographical scope

Kabale Regional Referral Hospital is located in Kabale District, Western Region of Uganda. The hospital provides public health services to the districts of Kabale and her neighboring districts such as Rukungiri, Rukiga, and Kanungu. Being a referral hospital, the facility provides internship placements to medical students from universities offering medical courses.

1.9.2 Time scope

The study covered a period of three years from 2016 to 2018. This was the period when the Auditor General's Reports revealed weaknesses in the facility's operations. The reports cite expenditures outside the budget, operations outside the partner funders' agreements, staffing gaps, poor fleet management, and weakness in procurement proceedings (Audit Report, 2017).

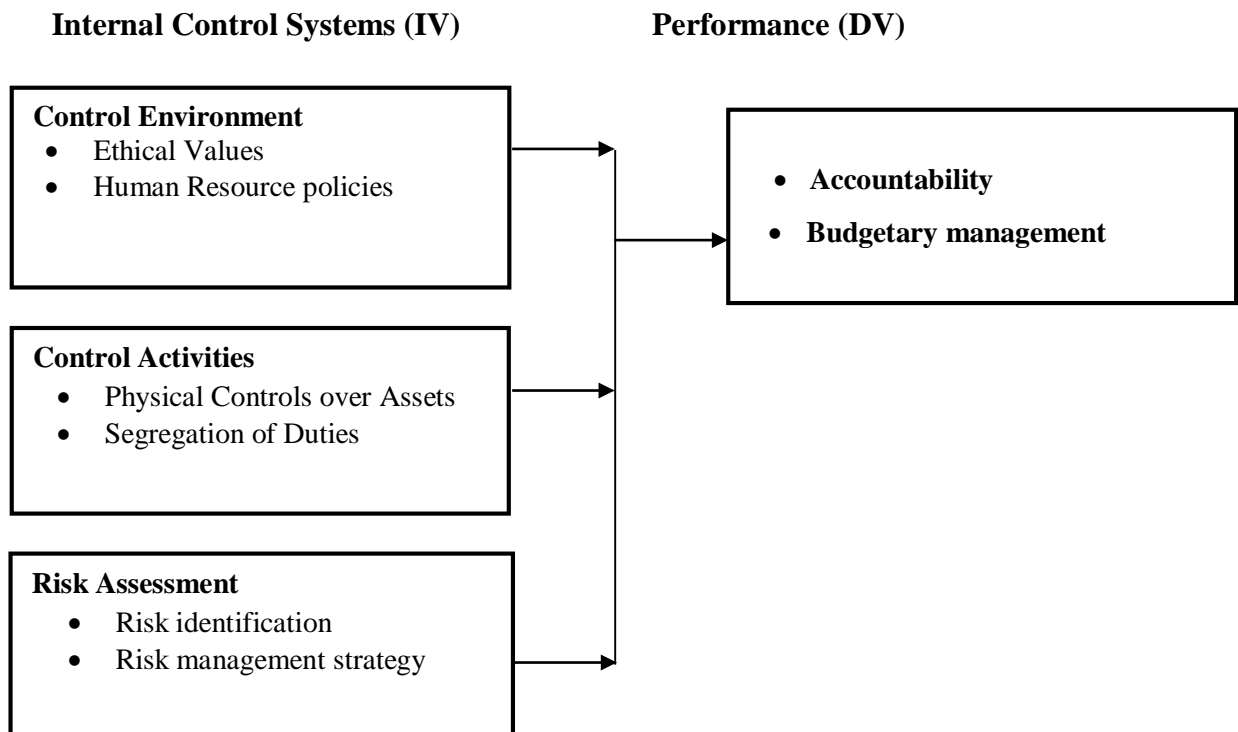
1.9.3 Content Scope

The research study focused on internal control as an independent variable and performance as a dependent variable. The content on internal control systems were measured in terms of control environment, control activities, and risk assessment. The content on performance was limited to accountability, and budgetary management.

1.10 Conceptual Framework

A conceptual framework is a diagrammatic presentation of the relation between the study variables. The figure below is the conceptual framework relating internal controls and financial accountability.

Figure 1.10.1: Conceptual framework



Source: Adopted with modification the variables from Auditing and Assurance Services, Timothy J Louvers et al (2008), modified by researcher 2021

The conceptual framework above presents internal controls as an Independent variable and performance as the dependent variable. The study conceptualizes internal control in three dimensions control environment, risk assessment, and the control activities. The study conceptualizes performance in terms of accountability, and budgetary management. The researcher hypothesizes that changes in internal controls are likely to affect the level of performance and vice versa.

1.11 Operational definitions

Internal Control Systems: The process of achieving organizational objectives through ensuring sound control environment, observing control activities and monitoring the possible areas of risk and how to mitigate them in case they occur.

Control Environment: This is established by the manager of the organization. It takes the form of communication, adherence to diligence and commitment to responsibility, integrity checks, and observance of ethics and values. Generally, control environment sets the standards the organization follows in ensuring internal controls (Omar and Yussuf, 2021).

Control Activities: These relate to the policies and procedures, which any institutions puts in place to prevent fraud and errors from occurring and detect them before they occur. Generally, control activities check on financial operations, reporting, and compliance.

Risk Assessment: This is the process of identifying and analyzing the potential risks that might deter the organization from achieving her managerial objectives (Sudsomboon, 2009) (COSO, 2012). An effective risk assessment ensures that preventive measures exist to mitigate any risks in case they occur.

Performance: This is the extent to which a business uses her resources during her operations in a given period to generate profits. Generally, the concept is used to assess the financial health of an organization, which is precisely described using financial ratios (Myskova, 2017)

Accountability: Taking responsibility of one's actions, which allows one to willingly act transparently.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presents a review of the scholarly works documented on internal controls and performance in public institutions. The review was gleaned from academic reports, government and non-government reports, and academic journals. The review covered the theories that explain internal controls and accountability, the concepts, empirical reviews, and the gaps thereof.

2.2 Theoretical Review

The study built on the Agency theory as posited by Jensen and Meckling (1976). The theory provides a foundation for explaining the extent of sharing risks between the principal and the agent. The principal grants some powers to the agent to act on their behalf, who should act in the interest of the principals (Sridharan, 2011). Previous scholars on ownership and control in large corporations content that to resolve the concerns of separation of ownership and control in corporations, a contract that blends the interests of the proprietors must be signed between the principals and the agents (Berle, 1992). The theory, which is coined by Jensen and Meckling (1976) as the ‘agency problem’ identifies the managers as agents appointed by shareholders to use resources on their behalf to generate returns. The shareholders in this case serve as the principals who enjoy business returns on their capital investments.

Since the 1980s, business organizations and public corporations have used the agency theory to manage the operations without friction (Coase, 2006; Jensen and Meckling (1976). While there

is an existing relationship between the principal and the agent (Jensen and Meckling, 1976), suggests that the relation improves when the principal designs some mechanisms to monitor the self-interests and behavior of the agents. The relation might however exist in weakness when the agent fails to conduct himself in the interest of the appointee when he owns more information on the organization than the principal (Coarse, 1937).

To address the concern of separation of ownership and control, Jensen and Meckling (1976) considered internal control as one step to neutralizing the self-interest behaviour of the agents. The internal controls, which the principal sets out to monitor the actions of the agent provide a platform for the principal to measure the performance of the organization in the interest of the principal (Watts & Zimmerman (2003). The strength of the internal controls as envisaged by the principal are the foundation of the social contract that exists between the principal and the agent (Kloot and Martin, 2001). This is called accountability (Berle and Means, 1932). This view aligns with Funnell (2003) who relates the principal-agency relation to sharing business costs and risks. When the principal-agency relation is in force, the risks and costs are rightly shared. When the agent acts contrary to the agreement, the principal is found to bear more of the risks than the agent.

In the context of governance and public administration, the theory supports the existence of governance structures that separates urban governance from managements. The theory suggests the existence of professional managers to manage urban councils on behalf of the owners (Kiel and Nicholson, 2003, p.190). The agency theory streamlines the separation of powers between the principals and the agents with the principals demanding accountability from the agents (Eisenhardt, 1989; p.123). The agency theory calls for clear lines of authority between hospital governance and management.

2.3 Conceptual review

The study built around internal control systems and performance. Internal Control systems the methods an enterprise adopts to protect and guard her assets and resources against damage and waste. Beyond the security of property, the internal control plan is instituted to identify and correct mistakes that might deter the organization from achieving her objectives (Gray, 2018). Unlike Gray, COSO (1992) presents internal control as the actions of the board of directors, management, and employees to ensure efficient and effective operations, reliable financial reporting, and compliance with the laws. These definitions suggest that the effectiveness of internal controls depends on the directors and management of the business entity.

Internal control systems are built around personnel, structures and processes that aggregately enable the organization to function properly (1968). However, there are a series of components that aggregately help an organization to operate properly (INTOSAI, 2004). These may be procedures or actions that ensure the organization is operating effectively and efficiently towards meeting organizational targets. COSO (2013) categorizes these procedures and actions in terms of their roles. Some of the procedures ensure efficient and effective operations, some ensure accurate financial reporting while others ensure compliance with laws and regulations. COSO finally identifies control environment, Risk assessment, Control activities as the three components of ICS.

The Control environment concerns integrity and ethical values that govern the institution. They enable management to carry out their managerial assignments of authority, develop and attract competent individuals, enforce performance measures, design incentives and rewards that can drive performance.

Control activities refers to the policies and procedures that help management of an organization to reduce the extent to which potential risks are likely to affect her operations. Risk assessment refers to the set of measure that reduce the incidence and likelihood of occurrence of risks in an organization. It covers a set of actions that ensure the organization and its resources including workers are safe from any form of harm (Oduware, 2013). Internal Control systems concerns an effective judgement of functioning of the control environment, control activities and risk assessment towards achieving performance in government institutions.

Performance is the process by which an organization realizes her goals in a given period including the way resources are used for the attainment of goals (Stoner, 2015). This information can be gleaned from the organization's cash flows and capital change (Fatihudin, Jusni, & Mochklas, 2018). From a business perspective, performance refers to the process assessing the characteristics of a firm in terms of financial ratios. Such ratios include liquidity, profitability, and market value (Bhunia, Mukhuti, & Roy, 2011; Batchimeg, 2017). The authors argue that much as these ratios measure the performance of every sector, they are applicable depending on the characteristics and goals of the sector.

2.4 Control Environment and Performance

Control environment This is established by the manager of the organization. It takes the form of communication, adherence to diligence and commitment to responsibility, integrity checks, and observance of ethics and values. Generally, control environment sets the standards the organization follows in ensuring internal controls (Omar and Yussuf, 2021). An organization's control environment highly depends on the effectiveness of the ethical conduct of individuals and procedures, which holds them accountable. In essence all the actions undertaken in the

organization should be appropriate for maintaining an effective control environment (Stock, 1999).

A study by Gunderson (2008) shows that institutions that rely on effective internal control environment have proper governance and hands-on management. From a non-profit organization perspective, internal control is a non-physical tool which assists the organization in fulfilling their fiduciary duties. It helps the organization to remain accountable to contributors and members in as far as implementing programmes and using finances is concerned. As already observed, the organization's board remains the supreme authority in enforcing internal controls. The board delegates authority to management and establishes operations and monitoring the system though it remains responsible for monitoring the system. The board sets the policies on which the functioning of the organization is hinged, monitors any risks that would affect the company (Stock, 1999). It is, however, not clear whether all these tasks as would be performed by the board are performed by the board of KRRH.

Studies have established that the control environment sets the tone of an organization, and influences the control consciousness of its people, the discipline and the structure (COSO, 2013; Stock, 1999; (Bett & Memba, 2017). Other studies have shown that the control environment is the backbone of integrity, ethical values and the competence people exhibit in the organization. It spells out the philosophy, the operating style, and the way management assigns authority and responsibility to officers (Russell, 2009; Asiligwa, 2017). However, management should be assertive enough to ensure that all ethical values and procedures set are adhered to (Kinyua, 2016).

A study by Channar, Khan, Shakri (2015) shows that control environment is significantly related to the performance of an organization. The authors show that the internal control systems in place provide a basis upon which the organization operates. A related study by Whittington and Pany (2001) also shows that the control environment provides a framework upon which the other components operate. However, Ndamenenu (2011) in his study argues that the board of directors must show diligence for integrity and ethical values by communicating their interests to all levels of the organization.

In explaining the tenets of control environment in an organization, Kamau (2014) shows that control environment includes a financial and accounting system, managerial commitment to system operations, monitoring and implementation of internal control systems, and clear channels of communication between supervisees and supervisors. Similarly, Josiah (2013) adds that organizations with effective control environments report superior supervision of workers, efficient operations, complete transaction reduced risks, proper coordination of departments, and proper delegation. However, the benefits of internal controls as portrayed by Kamau and Josiah lack a contextual perspective of public health facilities.

2.5 Control Activities and Performance

Control activities refer to all policies, procedures, and mechanisms that are established in organizations to ensure proper implementation of managerial directives (Kyeremeh, 2015). As guided by Magu and Kibati (2016), management must ensure that the roles of different staff in the organization are explicit, documented and separate to ensure accountability and elimination of role ambiguity. These authors seem to suggest that control activities are more staff-oriented than director-oriented.

A detailed explanation on the operation of control activities is given by O'Reilly et al (2008). The authors explain that efficient operations of control activities require that senior staff check on the work done by their juniors, which may include but are not limited to training, supervising, and assessing employees' knowledge and experience about assignments. Explicitly, O'Reilly and colleagues provide that employees should have relevant tools and equipment, relevant training often in form of seminars and workshops. This will ensure effective performance of public financial institutions. Given the current study, public hospitals need policies and guidelines on hiring, training, supervision and evaluation of staff since they provide highly specialized services to the communities.

Borrowing from BCBS (2010), organizations need to exercise authorization judiciously. Every organization would have a team to handle authorizations, approvals and initiations. These are checks and balances that expose centres of error and fraud but also minimize the occurrence of these errors. The more the organization segregates duties across management levels and departments, the more compliant they become in executing authorizations, verifications and approvals. At any one point, the organization should have a team that establishes control policies and procedures; and another team that verifies whether the control policies and procedures are fully adhered to (BCBS, 2010). After all, the entire transaction in a business environment requires approval and authorization by an appropriate officer and authorization limit be clearly specified. This is not exceptional to public health facilities like KRRH.

In public sector organizations, approvals and authorizations help in detecting potential areas of fraud and prevent them accordingly since many officers are involved in the transaction process from initiation to completion (Dickens, 2016). By so doing, the organization streamlines transactions and enforces accountability (BCBS, 2010).

One of the control activities is segregating duties. According to Russell (2009), segregation of duties requires that one person in the organization is in charge of transactions, making sure that the transaction is complete. In large organizations, duties are spread across individuals and departments to reduce the level of funds misappropriations (Etuk, 2011). In another usage, segregation of duties reduces role ambiguity in the sense that different roles are assigned to different individuals and offices during the transaction process Kamau (2014). The entire essence of segregation of duties is to monitor the accounting process and check for any chances of occurrence of error. In the long run, the organization is capable of avoiding error at whatsoever cost, which makes all employees get involved in reducing errors and mistakes.

2.6 Risk Assessment and Performance

Risks assessment is related to performance. A study measuring the effect of risk management on performance by Mardiana, Puji and Ayyu (2018) found that non-performing loans do not have any effect on return on assets. This study was based on Islamic banks in Indonesia. A study measuring the impact of risk management on performance of organizations in Jordan by (Abu-Rumman, Shra'ah, Alfalah, & al-Madi, 2021) shows a significant relation between risk management predictors and performance of state institutions. The study shows that risk control, credit risk, and market risk significantly influence performance of state institutions in Jordan. While this study relates risk to performance, the context of banks is different from government institutions in Kabale district.

An investigation relating financial risk and performance among listed companies in Nairobi shows that companies failed to meet their financial obligations due to excess liquidity (Onsongo & Muathe, 2020). These companies showed the ability to take in more credit but unable to boost

their performance. Borrowing from business companies in Rwanda, (Kimenyi, 2018) established that risk assessment significantly relates with performance. The significant influence of risk assessment was derived from risk identification which accounted for 5% change in performance. While these studies are within the East African region that is Kenya and Rwanda, they portray the influence of risk assessment on business performance. The studies ignore the context of government institutions in Kabale district.

While there is little research on risk assessment and performance in public institutions, (Rehman, Ramzan, Hwang, & Kim, 2021) attempt to relate the two concepts. The authors used risk management to mediate the relation between corporate governance and performance. The results indicate that risk management partially predicts performance in corporate firms. Mormul (2021) investigated risk management control in Poland and found low understanding of risk management among employees. The study identified the need for training employees on management control systems. This study focused on control systems in local government and ignored performance. Besides, the findings in Poland may not be transferable to Kabale.

From a public sector context, (Eleftheriadis & Vytas, 2018) examined measurement of risk and performance of public organizations. The study found a significant relation between risk management and financial level. The effect was mostly influenced by economic risk. This study was based on public sector in Greece. From Kenya, (Ahmed & Ng'anga, 2019) show that risk assessment is a significant predictor of performance of County governments. The predictive influence is mostly observed in risk identification.

2.7 Related Studies

A study on internal control and performance of universal banks in Ghana by (Otoo, Peprah-Amankona, & Andzie, 2021) shows that performance is likely to improve in institutions where management assigns individuals with the responsibility to identify risks and the criteria to mitigate these risks. This study exalts the role of information communication in realizing the business goals of commercial banks. The context of bans excludes internal controls in government institutions.

A report on ownership and governance of state-owned enterprises by OECD (2021) shows that public institutions find it hard to provide distinct reports on both commercial and non-commercial activities. Most of them fail to account for the funds used on specialized functions and KRRH which provides some services on public cost and some on private cost. The line between the two services is very thin as there are no reports on the private services provided. While there is need for public institutions to measure their rate-of-return requirements, few public institutions present measures that are comparable to private enterprises. Therefore, assessing the performance becomes difficult.

Kalemeera (2018) studied internal control and performance in higher education institutions of learning in Uganda. Using control environment, monitoring and control activities as predictor variables, the study found a significant effect of monitoring controls, control environment and control activities on performance. Kakooza (2016) studied internal controls and performance in public secondary schools in Uganda. Using control activities, monitoring controls and risk assessment to predict the influence of internal control on performance, the study showed a significant relation between the two variables. Control activities appeared to influence internal

control the most. While the studies used related independent predictors of internal control on performance, they focused on Uganda management Institute, which is not a public health facility.

Bugembe (2018) examined internal control and performance of Kyankwanzi local government. The study used reliability of accounts, compliance and time as predictors of internal control. The results show that the district's performance responded more from compliance with than timely and reliable accountability. Adaan (2019) assessed internal control systems and performance of Kitgum Municipal Urban Council in Uganda. Using audit, control activities, control environment as predictor variables, the study found that internal control significantly affects performance. However, the effect of the predictors on performance was weak. While these studies ventured local governments, their findings do not apply rightly to public health facilities, especially at referral level. Besides, the variable audit, which was introduced in the second study, the current study used control activities, control environment, and risk assessment to measure internal control.

2.8 Research Gaps

The literature presented in this study has been theoretical, conceptual and empirical. Theoretically, the review focused on the agency theory and its tenets of sharing risks to improve performance and leverage the interests of the principal. Considering the public as the principal, the agency theory fails to show how the public shares in risk control. Secondly, the agency theory shows that any information asymmetry between the principal and the agency increases reduces the ability of the principal to monitor the behavior and self-interests of agent. Given the public as the principal, the community of patients served by KRRH does not have the ability enough to monitor the behaviour of the hospital administration and management. To bridge the

gap, this study uses control environment, and control activities to monitor the behaviour of the agents (hospital administrator).

Literature on internal controls show the influence of control activities, control environment, and risk management in the banking sector, education, and local governments. There is little evidence of the applying internal controls in the health sector. To bridge the gap, this study considered KRRH to measure internal controls on performance. Secondly, internal controls measured in terms of risk assessment were very scarce in literature. To bridge this gap, this study used risk assessment to measure its impact on performance.

Literature on performance uses financial ratios of ROE, ROA, and ROCE, Liquidity, profitability, etc. to measure performance. These ratios communicate very little on performance in government institutions, which are not profit oriented. To bridge this gap, this study used accountability and budgeting to measure performance. Since government institutions use public resources to provide goods and services, the public expects reliable and timely financial reports on the utilization of public resources. Besides, the agents to whom public resources are entrusted must use them in accordance to laws and regulations to minimize fraud and misappropriations.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

In this chapter, the researcher presents the scope of the methodology. The researcher discusses the choice of the research design, the study population and the sampling procedures. The researcher also discusses the research methods of data collection, and analysis. The chapter concludes with ethical considerations and the limitations to the study.

3.2 Research Design

This study was based on a cross-sectional research design. A cross-sectional design is the design where the researcher collects data on a given phenomenon in a snapshot and a report is made thereof. Such studies are used to portray the phenomenon, frequency, trend, or situation as it prevails at the time of investigation (Kothari, 2004). The current study was cross-sectional because the researcher intended to describe the extents of internal control systems in KRRH. The researcher used both quantitative and qualitative approaches to collect and analyze both numerical and non-numerical information on internal control systems and performance. The researcher used correlation to measure the effect of internal control systems on performance (Hancock, 2009).

3.3 Study Population

The term population is used in research terms to refer to the collection of items or objectives for investigation purposes (Kothari, 2004). The study population is one to which the researcher

ultimately generalizes the study/results. Kabale regional referral hospital has an estimated total population of 210 people including directors, heads of departments, administrative staff and medical officers. This population was categorized into 02 directors, 20 departmental heads, 50 administration staff, and 138 medical officers. These categories were considered because they had the relevant information required to inform this study (Kabale Regional Referral Hospital Records, 2019).

3.4 Sample size and selection

A sample refers to a representative part of the population bearing the characteristics of the population that provides a basis of investigation. For the sample to be representative of the population, it must bear all the characteristics of the mother population from which it is drawn (Amin, 2005). This study selected a sample size of 138 sample units from a population of 210 study units. The sample size was determined scientifically using Yamane's formula (Yamane, 1973). The formulae states as follows:

$$\text{Sample size} = \frac{N}{1 + Ne^2}$$

Where:

n = Expected sample size

N = Target population

e = The error in the estimation, normally computed at 95% confidence

$$N = \frac{210}{1 + 210 \times 0.05 \times 0.05} \approx 138$$

The sample to be selected from each category of the population was determined using proportional allocation as shown in the table below.

Table 3.4.1: Population categories

Population categories	Population size	Sample Size	Sampling Technique
Directors	02	02	Purposive sampling
Heads of department	20	13	Purposive Sampling
Administration staff	50	32	Simple Random Sampling
Medical officers	138	91	Simple Random Sampling
Total	210	138	

Source: Kabale Regional Referral Hospital Records (2019), modified by researcher 2022

In proportion to the study population, a sample of 91 respondents was targeted from the medical staff of the hospital.

3.4.1 Response rate

While the study targeted a sample of 138 respondents, only 110 staff of the hospital responded.

This translated into a response rate of 79.7% of the distributed questionnaires.

$$\text{Response rate} = \frac{\text{Number of questionnaires returned}}{\text{Number of questionnaires distributed} \times 100} = \frac{110}{138} \times 100 = 79.7\%$$

The response rate was above 70%, which is considered acceptable according to Guttmacher Institute (2006)

3.4.2 Sampling Techniques and Procedures

Sampling refers to the technique or procedure of selecting a sample from the population.

Research has identified the sampling techniques to be either probabilistic or non-probabilistic.

Probabilistic sampling techniques give some chance to all the units in the population to be selected into the study sample. The selection is based on chance or probability. Non-probabilistic sample techniques leave the selection of the sample to the discretion of the researcher (Kothari, 2012). The current study used simple random sampling, which is a probabilistic sampling technique and purposive sampling, which is a non-probabilistic sampling technique.

Simple random sampling is a sampling technique where each unit of the study population has the same chance of being selected into the study sample. The technique operates on the assumption that the population is known and finite. The current study used simple random sampling to select the administrative staff and medical staff. Procedurally, the researcher obtained a list of all the medical and administrative staff from the Personnel's office. The researcher trimmed equal cards and wrote a name of each staff on a card. The cards were placed in a closed bag and shuffled thoroughly. A card was drawn randomly from the bag without replacement until 110 cards were selected. The staff whose names appeared on the selected cards constituted the study sample.

Purposive sampling is the sampling technique in which the researcher discretely determines the units of the population to include in the sample. The selection criterion is predetermined by the researcher though the key criterion is knowledge of the subject under investigation. The researcher purposively selected the heads of department and the directors for their knowledge and expertise on internal controls and performance.

3.5 Source of Data

The researcher depended on primary data sources and secondary data sources to understand the extents of internal control systems and performance in KRRH. The researcher used questionnaire surveys and interview surveys to collect primary data. The researcher used primary data because

it is original and too rich to address the current problem. Secondary data was obtained from hospital documents such as audit reports, balance sheets, cash flow statements, assets record book, annual budgets, and departmental reports. The researcher used secondary data to provide supplementary information to primary data.

3.6 Data Collection Methods

This study used questionnaires and Key Informant Interviews to collect primary data and document analysis to collect secondary data.

3.6.1 Key informant interview

Interview is the method of data collection where the researcher collects data by interacting with participants in a conversation, which may be physical (face-to-face interviews) or telephone (telephone interviews) (Amin, 2005). The researcher poses questions and obtains immediate feedback. Because the conversation is interactive, it is possible to build rapport with the interviewees, which makes the meeting flexible and enjoyable. Personal interviews help the researcher to collect in-depth information that cannot be collected using questionnaires. Through probing, the researcher collects rich information that informs the study. This study conducted interviews with directors and heads of department. The method was appropriate to these categories of the population because of their busy schedules but also because of their personal knowledge and experiences on internal control systems and performance (Amin, 2005).

3.6.2 Questionnaire survey

This method involves preparing a list of logically ordered questionnaire and sending them to persons who are thought to have the required information (Babbie and Mouton, 2001). Questions

were delivered physically to the staff of KRRH and were collected later. The researcher used questionnaire survey to ease data collection and analysis but also to collect much data in the shortest time possible. However, since the questionnaires were self-administered, the method suffered from non-response, though the response rate was adequate for conclusion and generalizability. This method was used to collect data from medical staff and administrative staff of KRRH.

3.6.3 Documentary review

This method involves scanning through already existing documents for such information as is relevant to informing the study. The researcher reviewed secondary documents including audit reports, balance sheets, cash flow statements, assets record book, annual budgets, and departmental reports. These documents provided such data as would not easily be obtained from primary sources. The researcher used documentary review to obtain supporting information on internal controls and performance.

3.7 Data collection instruments

3.7.1 Questionnaire

This was a self-administered and structured questionnaire based on close-ended questions on internal control system and performance. The instrument was structured into five sections.

Section A: contained item three items that sought information on participants' demographic characteristics. These were gender, age, and level of education. Gender was measured on a nominal scale while age and level of education were measured on ordinal scales. Section B: contained items that sought information on control activities. These were 8 items, which were

measured on a five-point likert scale of a maximum 5 and a minimum 1. Section C: contained items that sought to information on control environment. These were 7 items, which were measured on a five-point likert scale. Section D: contained items that sought information on risk assessment. These were 8 items, which were measured on a five-point likert scale. Section E: contained items that sought information on performance. These were 11 items, which were measured on a five-point Likert scale.

3.7.2 Interview Guide

This was the instrument used during interviews. An interview guide was a list of questions covering the topics the researcher discussed with key interview informants. The questions were designed logically in a manner that encouraged free interaction between the researcher and the informants. The researcher ensured that all the objectives of the study were covered in the interview guide. The nature of questions were broad open-ended to allow for detailed explanations. The guide targeted the directors and heads of department of KRRH.

3.8 Data Quality Controls

3.8.1 Validity

Validity refers to accuracy and trustworthy of an instrument. It relates to the extent to which an instrument generates truthful results. To guarantee validity, the researcher prepared a questionnaire, which were presented to the research supervisors for expert judgment and opinion. The experts assessed these questions for relevancy and adequacy of the content, upon which a content validity index was constructed. According to Amin (2005), a face and content validity of at least 0.70 is considered adequate and acceptable.

Using the formula below, the researcher established the content validity index.

$$CVI = \frac{\text{Number of questions declared valid}}{\text{Total number of questions in the instrument}} = \frac{29}{34} = 0.85$$

The content validity index of the current study (CVI = .85) was above the acceptable 0.7. This therefore implies that the instrument used covered the content on internal control systems and financial control adequately, according to Amin (2005).

3.8.2 Reliability of the Instrument

To ensure reliability of the instrument, the researcher pretested the instrument on 20 medical staff of Rugarama hospital. The researcher used Cronbach's Alpha to establish the reliability of the instrument. A reliability coefficient of at least 0.70 is considered acceptable and adequate (Mohsen & Dennick, 2011). The data in the pretest instrument was captured and summarized in SPSS (Statistical Package for Social Sciences) version 21 as summarized below.

Table 3.8.1: Reliability tests

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.771	.771	10

Source: Field Survey, 2021 (Computation: SPSS ver. 21)

This study realized a Cronbach's reliability coefficient of .771, which was above the acceptable 0.7, according to (Amin, 1995). This statistic implies that the instrument used in the study was reliable and can generate consistent outcomes in repeated administrations. And considering the fact that the study is based on a sample, the results are reliable and can be used for generalization onto the population.

3.9 Data Processing, Analysis and Presentation

To process the data, the collected data was edited, sorted and coded in readiness for analysis. The collected data was organized and entered into the computer for processing with the aid of SPSS (Statistical Package for Social Sciences) version 21. Data was summarized and presented on frequency tables.

Descriptive statistical measures of mean and standard deviation were used to describe internal control systems. Inferential statistical techniques were used to examine the relationships. Pearson's Correlation coefficient was used to examine the strength of the relationship between internal control systems and performance. Regression coefficients were used to examine the predictive influence of internal control systems on performance. The significant value approach was used to test the null hypotheses that no relationship exists (Amin, 2005; Shafer & Zhang, 2012).

Basing on the regression coefficients, a model relating internal control systems and performance was developed as provided below.

$$Y_i = \beta_0 + \beta X_1 + \beta X_2 + \beta X_3 + \dots + \beta X_n + \varepsilon$$

Where

Y = the predicted variable, which is performance

X = the predictor variable, which is internal control systems.

Internal control was presented as a set of predictor variables including control environment, control activities, and risk assessment.

$x_1 = \text{Control Environment},$

$x_2 = \text{Control Activities},$

$X_3 = \text{Risk Assessment}$,

$\beta_0 = \text{Constant term}$. This is the autonomous value of the predictor variable when the predictor is set to zero.

$\varepsilon = \text{Error term}$. This was estimated at a confidence level of 95%

3.10 Ethical Considerations

a) Authority to carry out research

The researcher sought authority from Kabale University to proceed to the field for data collection. In the field, the researcher obtained authority from the Hospital Administrator of KRRH to interact with the medical officers, heads of department and administrative staff from whom consent to participate in the study was sought. Since the study did not involve people's lives, no consent forms were signed though consent to participate was sought

b) Confidentiality

The researcher guaranteed confidentiality of respondents' views and used them for academic purposes only. In this respect, respondents were not required to identify themselves so as to keep their views secret and anonymous to the researcher and any other persons that would come into contact with this kind of information. Apparently, the information collected from the hospital staff has been accessible to the researcher, the research supervisor and the Directorate of Research at Kabale University.

c) Patent rights

The researcher ensured to acknowledge all the sources that were consulted in the process of compiling this research. Both published and unpublished sources have been acknowledged in-

text and in references. A list of references has been provided at the end to verify the authenticity of and acknowledgement of the sources used. The researcher endeavored to avoid plagiarism to the highest

3.11 Limitations of the study

The researcher encountered some level of non-response especially in the questionnaire survey. While the researcher targeted 110 sample units, only 107 responded, which translated in a response rate of 79.7%. The 20.2% of the respondents who did not respond were part of the questionnaire which were not returned. This could have been due to inability to interpret the questions and loss of the questionnaires. However, this response rate was adequate for generalization and did not affect the conclusion and reporting.

The researcher encountered some elements of suspicion, which was manifested in inadequate reporting and non-response. The study was conducted immediately following the release of the Auditor General's Report, which identified a number of administrative malfunction. This deterred some staff from contributing meaningfully to the study. However, the researcher explained the purpose of the study as purely academic, which dispelled their fears.

The study was conducted during the COVID-19 lockdown, which necessitated providing physical distance between the researcher and the respondents. This limited the extent to which the researcher would built rapport with participants. Similarly, the need for physical distancing limited the researcher from making follow-ups on the non-response. However, the researcher ensured observing standard operating procedures whenever interacting with necessary participants.

CHAPTER FOUR

PRESENTATION, ANALYSIS AND INTERPRETATION

4.1 Introduction

This chapter presents the findings of the study. The findings are presented in tables and analyzed quantitatively and qualitatively. The analysis is presented according to objectives of the study.

4.2 Response rate

The study targeted 138 sample units though only 107 responded, which translated in a response rate of 79.7%. This was computed using the formulae below.

$$\text{Response rate} = \frac{\text{Number of questionnaires collected}}{\text{Number of questionnaires distributed}} \times 100 = \frac{107}{138} \times 100 = 79.7\%$$

This response rate was adequate for conclusion on performance and internal control in KRRH. The 20.2% of the respondents who did not respond are part of the questionnaire which were not returned. This could have been due to inability to interpret the questions and loss of the questionnaires. This response rate is very meaningful and adequate for conclusion. The participation provides that the information used in the study was representative of the opinions of the people from Lira district on performance as measured from internal control systems (Guttmacher Institute, 2006).

4.3 Respondents' Bio data

The researcher examined the different characteristics of the participants including age, gender and education

Table 4.3.1: Respondents' Bio data

Variable List	Categories	Frequency	Percentage
Age of respondents	21 – 30	25	23
	31 – 40	40	38
	41 – 50	31	29
	51 – 60	11	10
	Total	107	100
Gender of the respondents	Male	48	45%
	Female	59	55%
	Total	107	100
Level of education	Masters	17	16
	Degree	28	26
	Diploma	36	34
	Certificate	26	24
	Total	107	100

Source: Primary data 2021

The findings indicate that 38% belonged to the age group of (31–40) years and were the majority. Only 10% belonged to (501–60) years and were the minority. Therefore, the study was dominated by the middle-aged who exhibit experience in local government matters. Their maturity is necessary to concretize the findings. With respect to gender, 55% were male while 45% were female and constituted the majority. This therefore manifested a gender-balance in the study. The findings on the level of education of the participants indicate that 34% had diplomas, 26% had degrees and 26% had certificates. Going by the level of education, the participants were educated enough to inform the current study on internal controls and performance in KRRH.

4.4 Descriptive Analysis

This study used descriptive statistics to measure internal control systems using the three dimensions of control environment, control activities, and risk assessment. The descriptive statistics used were percent, mean and standard deviations. The researcher presented strongly agree and agree as ‘agreement’ while strongly disagree and disagree were presented as ‘disagreement’.

Table 4.4.1: Internal Control systems

Variable List	A	NS	D	Mean	Std.
Control environment					
1. Control environment has affected institution's revenue for the last five years	85%	9%	5%	4.17	1.23
2. Control environment has affected institution's fees income on capital for the last five years	79%	12%	8%	4.07	0.759
3. Control environment has affected institution's operating costs for the last five years	81%	12%	8%	4.05	0.953
4. Employees have best interest in heart to serve	77%	16%	7%	4.04	0.609
5. The Employees attitudes and behavior is friendly	80%	12%	7%	4.01	0.894
6. Kabale Regional Referral Hospital employees give personal attention to clients	74%	15%	11%	3.89	1.043
7. Facilities at Kabale Regional Referral Hospital are easily accessed	68%	19%	14%	3.85	0.842
8. Clients quests are easily met	70%	15%	15%	3.83	1.002
Average Mean	77%	14%	9%	3.99	0.92
Control Activities					
1. My organization management separates its roles/duties amongst its employees	89%	7%	4%	4.25	1.025
2. In my organization, senior staff checks the employees under their department	89%	8%	3%	4.24	1.162
3. All financial documents are reviewed for accuracy	79%	12%	8%	4.07	0.932
4. There is quality control of employees to care for the clients	74%	12%	14%	3.92	1.042
5. Services are provided at the promised time	75%	11%	14%	3.89	1.041
6. There is accurate order fulfilling in service provision	74%	12%	13%	3.85	1.126
7. There is accurate billing of services by employees	72%	18%	10%	3.84	0.702
8. There is accurate calculation of commissions by management	68%	19%	13%	3.78	0.636
Average Mean	78%	12%	10%	3.98	0.96
Risk Assessment					
1. There are strong risk assessment measures at each financial control desk	89%	8%	3%	4.24	0.89
2. Risks are identified in terms of occurrence likelihood	86%	10%	4%	4.12	0.847
3. Senior officials assist junior staff to analyze risks	79%	12%	8%	4.07	0.739
4. Financial controllers communicate likely risks to all staff	80%	12%	7%	4.01	0.964
5. At Kabale Regional Referral Hospital, risks are assessed in terms of achievement of objectives	74%	15%	11%	3.94	1.012
6. Risk assessment helps the management of the organization in risk identification, risk analysis and risk evaluation	76%	11%	13%	3.91	0.535
7. My organization must be aware of how to anticipate and deal with risks	73%	16%	11%	3.91	0.993
8. Risks that occur are carefully analyzed by all staff	74%	12%	13%	3.85	1.063
Average mean	79%	12%	9%	4.01	0.88

KEY: A = Agreement; NS = Not Sure; D = Disagreement; Std. = Standard Deviation

Source: Field data, 2022

With respect to control environment, 77% of the respondents agreed with all the claims raised on internal control environment, which was also indicated with (mean = 3.99; Std. = 92). These

statistics imply that the control environment in KRRH is acceptable. The standard deviation reveals that participants held consistent opinions on control environment.

From the highest extreme, 85% of the participants agreed that control environment has affected the hospital's revenue for the last five years, which was indicated with (mean = 4.17; Std. = 1.23). From the lowest extreme, 70% of the participants agreed that clients' requests are easily met, which was indicated with (mean = 3.83; Std. = 1.002). These statistics imply that besides the control environment affecting the hospital's revenue in the last five years, it also affects fees income on capital expenditures, and operating costs.

While the researcher did not find significant differences in the mean statistics on control environment, a comparison of the standard deviations shows that employees have a best interest in heart to serve (Std. = .609). Therefore, the control environment appears to affect employees' interest to serve more it affects the revenues of KRRH.

The findings on employees' interest to serve are consistent with the views of the respondents with one employee remarking:

"...The hospital staff are always stimulated to adhere to its core values of which mutually serving patients is one of them..."

Another key informant reported on their interest to serve as follows:

"Our facilities are within the same proximity and cater for all our patients including the vulnerable groups for instance lame, blind among others"

These excerpts confirm the view that the staff of KRRH are indeed responsible and serve their clients with interest. The interest to serve is likely a function of the compensations which health

workers get as scientists. The government of Uganda has popularized science professions by ensuring attractive compensations of health workers. While the researcher did not delve much into what the health workers in KRRH earn, their interest to serve is evidence enough. From these excerpts, it emerges that health workers in KRRH understand the mission of the hospital as a public institution as to provide public health services equitably to all patients.

With reference to the control activities, 78% of the respondents agreed with the claims raised on control activities, which was indicated with (mean = 3.98; Std. = .96). Just like the control activities, the statistics imply that the level of control activities in KRRH is acceptable. The standard deviation further indicates that respondents held consistent opinions on the claims the researcher raised on control activities in KRRH.

From the highest extreme, 89% of the respondents agreed that the hospital separates its roles and duties amongst its employees. From the lowest extreme, only 68% agreed that there is accurate calculation of the commissions by management. Besides separation of duties, the researcher observed that senior staff supervise the employees in their departments, and review all financial documents for accuracy. The researcher further observed that while the mean scores could not reveal any significant differences in respondents' opinions, comparing standard deviations revealed consistency in opinions on the accurate calculation of commissions by management (Std. = .636) and accurate billing of services by employees (Std. = .702). Therefore, control activities appear to affect calculations of commissions and billing of services compared to separating roles and duties. Accuracy in the calculation of bills does not only reflect transparency but also improves on the hospital's financial flow.

The findings on the role played by senior staff in checking on the staff in their departments coincide with one key informant who echoed:

“We at the hospital are a team of experts each tasked to play different roles where we are specialized. Our efforts have ensured that the hospital realizes it’s set goals”.

Analogous to the supervision of the junior staff in the department by the senior staff, one respondent made a stern remark on the arrival and departure of staff:

“Like any Government health facility, Kabale Regional Referral Hospital operation official time is between 08:00 am to 5:00pm however given the nature of our working environment, shifts are deployed to cater for the demand of health services”.

These excerpts provide some evidence that control activities are indeed important in organizational functioning but most importantly in hospital institutions. Hospitals handle human lives, which are delicate. Any form of laissez faire in handling life health duties can easily lead to loss of life. It is therefore important for supervisors to continuously check on the performance of the staff under their supervision. Additionally, reporting on time and departing on time do not only indicate time management, which is crucial for health personnel to observe but also reflects availability. According to world health organization, availability is one of the core indicators of performance among health workers.

With reference to risk assessment, 79% of the respondents agreed with the claims the researcher raised on risk assessment, which was indicated with (mean = 4.01; Std. =.88). These statistics

imply that the level of risk assessment in KRRH is also acceptable. The standard deviation, which is below 1.0 suggests that respondents held consistent opinions on risk assessment in KRRH.

From the highest extreme, 79% of the respondents agreed that KRRH has strong risk assessment measures at each financial control desk, which was indicated with (mean = 4.01; Std. = .88). From the lowest extreme, only 74% agreed that the risks that are likely to occur at KRRH are carefully analyzed by all staff, which was indicated with (mean = 4.24; Std. = .89). The statistics provide some evidence that besides the strong assessment measures located at each financial desk, KRRH identifies risks in their likelihood to occur, and all staff analyze risks. The researcher could not observe significant differences in opinion based on mean scores. However, standard deviations showed very consistent opinions on the importance of risk assessment in identifying and analyzing risks in the hospital. Therefore, risk assessment is more evident in risk analysis and evaluation than placing risk assessment measures at each financial control desk.

The findings that KRRH has placed risk assessment measures at each financial control desk corroborates with one key informant who said:

“...Every designated office has got its controls for instance accounts one needs to initiate a request, which is verified, counter checked, approved and forwarded for payment processing. The security has its own controls among others...”

In another interview, one respondent remarked in relation to risk analysis at departmental level, which is very necessary for a hospital facility:

“The Hospital has many staff each attached to a respective departments who are specialized to execute different tasks for instance Doctors, lab technicians, accountants, nurses, mid wives among others”

The excerpts above point to the importance of staff at both financial control desk and at all levels who identify and analyze risks as they occur and before they occur. Importantly, evidence from KRRH shows that all staff in the hospital are trained and equipped with every skill to analyze risks as they occur.

4.5 Inferential analysis

Inferential analysis involves statistical techniques that help in drawing conclusions about the population basing on sample results. This study used correlation to draw conclusions on the relationship internal control systems and performance, and regression to draw conclusion on the predictive influence of internal control systems on performance of KRRH.

4.5.1 Correlation tests

This study used correlation analysis to test for the relationship between internal control systems and performance. Correlation measures the degree of the strength between two numerical variables. The correlation coefficient ranges from 0.00 to 1.00. Coefficients close to 0.00 tend to be weak while coefficients close to 1.00 tend to be strong regardless of the direction. Positive correlations show that the two variables change in the same direction while negative correlations show that the two variables change in opposite directions. If the significant value of the correlation is less than 0.05, the relationship is significant. Otherwise the relationship is not significant. Table summarizes the relationships.

Table 4.5.1: Correlation Tests

Variable List; N = 107		Performance
Control environment	Pearson Correlation	.401**
	Sig. (2-tailed)	.000
Control activities	Pearson Correlation	.563**
	Sig. (2-tailed)	.000
Risk assessment	Pearson Correlation	.422**
	Sig. (2-tailed)	.000

** . Correlation is significant at the 0.05 level (2-tailed).

The study indicates that the relation between control environment and performance ($r = .401$; p -value $< .05$) was moderate and significant. This implies that a variation in control environment in KRRH is associated with a moderate variation in performance. In real practice, the results suggest the more the hospital streams her control environment such as managing her revenues, operational costs, and fees on income, the higher the chances of performing financially. The p -value, which is less than 0.05 suggests that control environment and performance are linearly related.

The study indicates that the relation between control activities and performance ($r = .563$; p -value $< .05$) is moderate. This implies that a variation in the control activities is associated with a moderate variation in performance. In relation practice, hospital that separate the roles and duties of their staff, and ensure accurate calculation of commissions and billing of services are likely to register superior performance. The p -value, which is less than 0.05 suggests that control activities and performance are linearly related.

The findings indicate that the relation between risk assessment and performance ($r = .422$; p -value $< .05$) is moderate. This implies that a variation in risk assessment is associated to a moderate variation in performance. In real practice hospitals which institute risk assessment measures at financial control desks, and identify the likelihood of risks occurring are likely to

register a moderate change in their performance. The p-value, which is less than 0.05 suggests that risk assessment and performance are linearly related.

4.5.2 Regression tests

The study used multiple regression to analyze the effect of internal control systems on performance of KRRH. Multiple regression measures the effect of a set of predictor variables on a dependent variable. This study used control environment, control activities, and risk assessment as the predictors and performance of KRRH as the dependent variable. Table summarizes the effect.

Table 4.5.2: Regression coefficients

		<u>Unstandardized Coefficients</u>		<u>Standardized Coefficients</u>	T	Sig.
Model		B	Std. Error	Beta		
1	(Constant)	0.903	.524		5.241	0.000
	Control environment	0.161	.132	0.153	2.701	0.031
	Control activities	0.317	.137	0.311	2.326	0.015
	Risk assessment	0.178	.134	0.171	3.219	0.021
	R	0.466				
	R Square	0.217				
	Adjusted R Square	0.208				
	Std. Error of the Estimate	0.785				

Predictors: (Constant), Control environment, Control activities, risk assessment,
Dependent Variable: Performance

From the table above, the overall effect of internal control systems was 21.7% according to (R Square = .217). This implies that a variation in internal control systems accounts for 21.7% of the total variation in performance of KRRH. This percentage suggests that there are other factors that are responsible for the variations in performance beyond internal control systems. These might include incentives and rewards, government grants and appropriations, and managerial efficiency.

The researcher further established that a unit-change in the control environment (Beta = .153; p-value <.05) accounts for 15.3% of the variations in performance of KRRH. A unit change in control activities (Beta = .311; p-value <.05) accounts for 31.1% of the variations in performance of KRRH. A unit-change risk assessment (Beta = .171; p-value <.05) accounts for 17.1% of the variations in performance in KRRH. The significant values imply that the components of internal control systems used to measure performance are significant in the model.

The suggested regression model is:

$$Y = 0.903 + 0.153X_1 + 0.311X_2 + 0.171X_3 + e$$

Where

y = performance

0.903 = the constant,

X_1 = Control environment

X_2 = Control activities

X_3 = Risk assessment

ε = Error in the approximation of the

Given the three components of internal control system, the control environment has the greatest significant effect on the performance of KRRH. The constant (0.903) is the autonomous level of performance when the hospital decides to neglect internal controls in its operations.

4.5.3 Hypothesis testing

The researcher stated three hypotheses at the beginning of the investigation. Basing on the level of significance of the relationship between the independent and dependent variables, the researcher tested the null hypotheses. The researcher's decision strategy was to **reject the null hypothesis** when the (p-value <.05) and to **accept the null hypothesis** when (p-value >.05).

Table summarizes the hypothesis tests.

Table 4.5.3: Hypothesis Testing

Code	Hypothetical statements	Significant level (p-value)	Sig. value	Decision strategy
Ho1	Control environment is not significantly related with the performance at Kabale Regional Referral Hospital	0.05	0.031	Reject
Ho2	Control activities are not significantly related with the performance at Kabale Regional Referral Hospital	0.05	0.015	Reject
Ho3	Risk assessment is not significantly related with the performance at Kabale Regional Referral Hospital	0.05	0.021	Reject

The first null hypothesis was that Control environment is not significantly related with the performance at Kabale Regional Referral Hospital. Since (p-value.<.05), the researcher therefore, rejected the null hypothesis that control environment is not significantly related with the performance at Kabale Regional Referral Hospital. The statistics imply that for every 100 staff of KRRH, more than 95% were likely to attribute the performance of KRRH to sound control environment.

The second null hypothesis was that control activities are not significantly related with the performance at Kabale Regional Referral Hospital. Since (p-value <.05), the researcher rejected the null hypothesis that Control activities are not significantly related with the performance at Kabale Regional Referral Hospital. The statistics imply that out of 100 staff of KRRH, over 95% were likely to attribute the performance of KRRH to sound control activities.

The third null hypothesis was that risk assessment is not significantly related with the performance at Kabale Regional Referral Hospital. Since ($p\text{-value} < .05$), the researcher rejected the null hypothesis that risk assessment is not significantly related with the performance at Kabale Regional Referral Hospital. The statistics imply that out of 100 staff of KRRH, over 95% were likely to attribute the performance of KRRH to sound risk assessment.

4.6 Discussion of the results

4.6.1 Control environment and performance

This study has established a significant relation between control environment and performance. Evidence from KRRH shows that the hospital has mechanisms to monitor her revenues over time, reduce operational costs, and regulate the fees on income. The findings agree with the Hospital Manual (2004) which stipulates that focusing on the hospital's philosophy and operating style enables the hospital to institute operational mechanisms the ensure effective performance. Similarly, Whittington and Pany (2001) argue that the control environment drives the organization and affects managerial conscientiousness.

The significant effect of the control environment on the performance agrees with COSO (1992), which reports that the control environment influences perspectives of the directors and managers in as far as internal controls are concerned. While the current study could not bringout the specific views of the Board of Directors of KRRH on internal controls, there is some evidence of their support for internal controls drawing from the hospital's performance over time.

The significant relation observed between internal control systems and performance is consistent with Steinberg and Tanki (2005) who argue that efficient control environment sets the foundation for hiring and retaining competent individual, promoting integrity and controlling consciousness.

The author contends that possessing adequate information on the internal controls of an organization blocks external people from taking advantage of the system and thereby sustaining performance. Similarly, Quall (2004) argues that when employees are informed enough of the control environment in the organization, they are likely to correctly predict the attitude and actions of their bosses on the control environment. This has a collective effect on the performance of the organization.

The foregoing views were further expounded by key informant who remarked: “...*The hospital staff is always encouraged to adhere to its core values of which, mutually serving patients is one of them...*” Notwithstanding, a few respondents in the current study could not articulate clearly a few aspects of the internal controls in the hospital. This is possibly because of lack of specialized training in internal control operations.

The study findings indicate that employees serve in their best interests. This is an aspect of integrity and ethics which health practitioners subscribe to. These findings are consistent with the views of Hamed and Babak (2009) who enumerate the constituent factors of the control environment including integrity and ethical values among others. In stressing the call to ethical behavior and integrity in medical practice, one key informant reiterates: “....*the internal auditor keeps on reminding us on what to do on routine payments as well as overbilling...*” The researcher finds that it is very important for health workers to remain motivated in executing their duties especially finances. Notwithstanding the perspective, a few health workers in KRRH fall short of the integrity and ethical behavior expected of them.

4.6.2 Control activities and performance

The study found that control activities significantly affect performance. The findings that the hospital clearly separates the duties and roles of each staff coincides with COSO (1992), which reports that control activities eliminate role conflict and ambiguity. The hospital administrator commends control activities: “...we at the hospital are a team of experts each tasked to play different roles where we are specialized. Our staffs have ensured that the hospital realizes its goals...” The hospital administrator’s view expresses the definition of control activities correctly as ‘policies and procedures that help ensure that management directives are carried out’. Control activities include procedures to check on the authenticity of authorization of transactions, physical controls to safeguard and protect organizational records and assets, and segregation of duties define the role of each person in the transaction process. The findings support (Russell, 2009; Etuk, 2011; Kamau (2014) who argue that segregation of duties requires that someone in the organization takes charge of transactions, ensuring its complete process. In large organizations like KRRH, duties are spread across individuals and departments to reduce the level of funds misappropriations, reduce role ambiguity and enforce accountability and transparency.

The significant relation that exists between control activities performance stands out because of the segregation of duties in KRRH. Segregation of duties ensures that the actions, which management takes address potential risks but also help the organization to achieve her objectives. From a hospital perspective, it is important that health workers conduct themselves in a manner that meets the expectations of the patients. It is far important to equip hospital staff with specific job descriptions, policies and procedures to relatively maximum controls to have positive financial results. While most of the respondents agreed on the segregation of roles and

duties, a few respondents expressed low tones on segregation of duties. These low tones suggest some performance gaps that may jeopardize the performance of the hospital. Role and duty performance gaps deny patients their rights to public health services and also threaten the hospital's revenues.

The importance of control activities in effecting performance agrees with Whittington and Delaney (2009) who asserts that organizations that do not have effective internal control systems experience gaps in their assurances of the goals achieved. The author however misses out on the direct effect of control activities on performance. In well organized institutions, the likelihood of detecting errors and preventing fraud from occurring will most likely depend on the effectiveness of the internal controls in place.

The findings that control activities significantly influence the performance of organizations agrees with COSO (2013), which reports that the corrective actions, which management institutes in organizations is likely to limit financial losses. The report advises that control activities must be effective, function consistently according to plan, throughout the period and be cost effective, comprehensive and reasonable and should directly relate to the objectives. Given the current study, one respondent observed: *"...you do not know how it feels when a medical officer needs some information on a client and can find it with ease. Since we handle many patients and many documents, the availability of information on the client makes billing easy for both patients and hospital staff..."*

4.6.3 Risk assessment and performance

The researcher established a significant effect between risk assessment and performance at Kabale Regional Referral Hospital. The findings agree with (Eleftheriadis & Vytas, 2018) who

examined measurement of risk and performance of public organizations. The study found a significant relation between risk management and financial level. The effect was mostly influenced by economic risk. The findings similarly agree with (Ahmed & Ng'anga, 2019) who show that risk assessment is a significant predictor of performance of governments. The predictive influence is mostly observed in risk identification. Though these studies were not directly based on a hospital context, they present some evidence that risk assessment influences performance in government organization. In the perspective of a public hospital, this study unveils that as staff become aware of the risk assessment in the hospital, they understand the roles they play in the organization and particularly good reporting habits.

One of the key informants said:“...every designated office has got its controls for instance; accounts one need to initiate a request, which is verified, counter checked, approved and forwarded for payments processing. The security has its own controls among others...”Despite the evidence that the staff of KRRH are aware of risk assessment, a few staff indicated some unawareness of risk assessment in the hospital. This research attributes this unawareness of risk assessment among hospital staff is due to low sensitization from heads of department and the hospital management as a whole.

This study established that most of the staff of KRRH agreed that risk assessment is effective to clients. The results disagree with OECD (2021) which showed that public institutions find it hard to provide distinct reports on both commercial and non-commercial activities. Most of them fail to account for the funds used on specialized functions and KRRH which provides some services on public cost and some on private cost is not an exception. The line between the two services is very thin as there are no reports on the private services provided. While there is need for public institutions to measure their rate-of-return requirements, few public institutions present measures

that are comparable to private enterprises. Therefore, assessing the performance becomes difficult.

Given the current study, it is important that information flow in the hospital bears some qualities of risk assessment strategies, which helps stakeholders to make effective decisions for the organization. While the findings reveal that the risk assessment tools in KRRH are timely, accurate and accessible, a few staff disagreed with the claim on timeliness, accessibility and accuracy. The statistics reveal that gaps in risk assessment are road blocks, and a disservice to patients who seek for health service because they consume volumes of item while inquiring to be directed to facilities and medical personnel within the hospital parameters.

The findings that KRRH implements and periodically reviews her risk assessment strategies to avoid miss use of information systems is consistent with COSO (1992), which affirms that since internal control systems are processes, it is accepted that they need to be adequately monitored in order to assess the quality and effectiveness of their performance overtime. In a related interview, it was echoed that “...*the Hospital has many staff each attached to a respective department who are specialized to execute different tasks for instance Doctors, laboratory technicians, accountants, nurses, midwives among others...*”.

In the same line, the results from KRRH on the awareness of risk assessment agrees with (Bandura & McClelland, 1977) who contend that employees who ensure to possess the knowledge and skills related to financial services are likely to maximize the desired outcome, which in this case is savings. Consequently, such knowledge helps employees to make informed decisions on formal financial services, which springs from access to financial information, access to financial institutions, and availability of banking agents.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents summary, conclusion, recommendations and areas for future research. The summary and conclusion are presented according to objectives. The recommendations identify actions to improve the operations of internal controls and performance.

5.2 Summary of findings

The first objective examined the effect of control environment on the performance at Kabale Regional Referral Hospital. It was found that control environment affects performance by 15.3% (Adjusted R Square = .153). The second objective determined the influence of control activities on performance at Kabale Regional Referral Hospital. It was found that control activities influence performance by 31.1% (Adjusted R Square = .311). The third objective examined the effect of risk assessment on the performance at Kabale Regional Referral Hospital. It was found that risk assessment affects performance by 17.1% (Adjusted R Square = .171).

5.3 Conclusions

The study found internal control system significantly affects the performance of KRRH. Therefore, implementing internal controls across all the departments of the government institutions in Kabale district is likely to influence performance significantly. While internal control policies exist in the hospital, implementation is lacking, which affects performance. The

hospital administration conducts supervisory roles. However, the roles are lately conducted, employees harass patients and much and hospital facilities are not accessible to the vulnerable.

The second objective examined the effect of Control activities and performance at Kabale Regional Referral Hospital. Therefore, implementing control activities in all the departments of the government institutions in Kabale district is likely to influence the performance of the hospital significantly. The study suggests that hospital personnel's financial responsibilities reflect their level of power and responsibility, while management retains overall accountability for performance. This conclusion is supported by COSO (1992), which claims that separating authorization and execution eliminates control manipulation and puts operations at risk. According to the current study, the hospital segregates duties and assignments, services are provided at the promised time, hospital staff accurately bills services, order fulfillment in service provision is accurate, management accurately calculates commissions, and employees provide quality care for clients. The third objective shows that risk assessment significantly affects performance of KRRH. Therefore, implementing risk assessment in all the departments of government institutions in Kabale district is likely to influence the performance of the hospital significantly. The study has found that workers need more reminders about the existing risk assessment controls. Late arrival and early departures at the hospital delay service provision and obstacle of communications prevail in Kabale Regional Referral Hospital.

This study contributes new knowledge to the existing body of knowledge on internal controls and performance. The focus on KRRH is a new context that has not been researched very well yet the experiences thereof are very important to knowledge and practice. Accepting the claim that there is significant relationship between internal controls and performance is an empirical

extension of the relevancy of the Agency theory in understanding the performance of public institutions.

5.4 Recommendations

In line with the objective one, the finding on control environment in relation to performance of Kabale Regional Referral Hospital was found to be significant. Therefore, recommendation in relation to the above finding is that Kabale Regional Referral Hospital management should consider conducting trainings on internal controls for all staff in the hospital. This will equip staff with knowledge and skill in implementing internal controls for improved performance in the hospital.

The study found some pessimistic views on the part of medical staff meeting the clients' quests. The hospital administration should consider enforcing the codes of and ethical conduct of hospital staff. This will ensure the hospital meets the needs of the clients. Besides, the enforcement of codes and ethical conduct will help the hospital to achieve her goals of health public service delivery.

In line with the second objective of the study, findings indicated a significant positive relationship control activities and performance of Kabale Regional Referral Hospital. The research therefore recommends need for training medical staff on proper billing to ensure the hospital does not lose on the services dully provided. Where possible, the hospital should consider procuring a billing system to improve billing services.

In line with objective three, there was a significant relationship between risk assessment and performance of government institutions in Kabale district. The staff of the hospital appeared ill-

equipped in terms of predicting the likelihood of occurrence of risks in their operations. This is a performance gap, which requires urgent training. Therefore this research recommends that the hospital administration should consider conducting risk management training for all staff in the hospital. This will equip them with skills on risk identification, assessment, evaluation, and mitigations.

5.5 Areas for further study

This study collected information on accountability and budgeting to measure performance. We still do not know how human resource management influences these outcomes. Future researchers should consider conducting a study on the role of human resource management in effective accountability and budgetary management in KRRH.

This study has established that all staff exhibit behavioural attitudes of friendliness. We still do not know how personal characteristics affect performance. Future researchers should consider conducting a study on the mediating role of personal characteristics in influencing the relation between internal control systems and performance.

The aspects of internal control and performance of public health facilities differ according to context. The current study was conducted in KRRH. Future researchers should consider conducting a comparative study on the performance of regional referral hospitals in western Uganda. This will provide a basis for generalizing the results of KRRH to other referral hospitals.

REFERENCES

- Abu-Rumman, A., Shra'ah, A., Alfalah, T., & al-Madi, F. (2021). The impact of risk management on performance of banks: the case of Jordan. *Turkish Journal of Computer and Matheatics Education*, 488–498.
- Abuya. (2017). The Effect of Internal Controls on the Performance of government entities in Kenya, *IOSR Journal of Economics and Finance (IOSR-JEF)*, 8(3), 92-105, 2321-5933, 2321-5925
- ACODE. (2010). Banking Sector Liberalizationin Uganda Process, Results and Policy Options (Economic Policy Research Centre, Uganda), [www.acode.org.in/](http://www.acode.org.in/wp-content/uploads/2014/07/Banking-Sector-Liberalisation-in-Uganda.pdf) wp-content/uploads/2014/07/Banking-Sector-Liberalisation-in-Uganda.pdf
- Adaan, C. (2019). *Internal control systems and performance of municipal urban councils in northern Uganda: A case study of kitgum Municipal Urban Council*. Kampala: Kampala International University.
- Adams, M. B. (1994). Agency Theory and the Internal Audit, *Managerial Auditing Journal*, 9, 8-12, 8
- Ahmed, S. M., & Ng'anga, P. (2019). Internal Control Practices and Performance of County Governments in the Coastal Region of Kenya. *Governments in the Coastal Region of Kenya*, 28–41.
- Akelelo, S. (2012). Fraud in Government sector: A Case Study of Kenya. Unpublished PHD thesis, Trent University.
- Amaka, C. P. (2012). The Impact of Internal Control System on the Financial Management of an Organization: A Case of Nigerian Bottling Company Plc. Enugu.
- Amin, M. E. (2005). Social Science Research: Conception, Methodology and Analysis. 9970-05-019-2, 43-384
- Anthony, M. (2004). Internal Control: Governance Framework and Business Risk Assessment at Reed Elsevier in Auditing, *Journal of practice and Theory*.
- Auditing Practices Committee.(1980). Auditing Standards and Guidelines-Explanatory Forward, Para.

Bank of Uganda. (2015). Annual Supervision Report, Issue N^o6, Published in December, 21, 2079-6293, 2079-6307

Barle, A., & Means, G. (1932). *The Modern corporation and Private Property*, Piscataway, NJ: trans, publ.

Batchimeg, B. (2017). Performance determinants of organizations: The case of Mongolian Companies.

BCBS. (2010). A Global Regulatory Framework for More Resilient Banks and Banking System Basle III

Bett, J. C., & Memba, F. S. (2017). Effects of Internal Control on the Performance of Processing Firms in Kenya: A Case of Menengai Company, *International Journal of Recent Research in Commerce Economics and Management (IJRRCEM)*, 4(1), 105- 115, 2349-7807, www.paperpublications.org

Beyanga, T. (2011). Internal Audit Function, Employee Attitudes and Performance of Public Universities; A Case Study of Kyambogo and Makerere Universities, *Journal of Management Research*, 2(4), 35–42

Bhunja, A., Mukhuti, S. S., & Roy, S. G. (2011). Performance analysis - A case study.

Bugembe, N. (2018). *Internal control systems and financial performance in local government in Uganda. A case of Kyankwanzi district local government*. Kampala: Nkumba University.

Buhiirwa, P. (2013). Internal Control Systems and Performance of Government institutions: A Case Study of Centenary Bank (Mbarara Branch)

Buvaneswari, R., & Venkatesh, M. (2013). A Study on Performance with Special Reference to Sundaram Hydraulics Limited, Chennai, *International Journal of Advanced Research in Management and Social Sciences*, 2(8), 2278-6236

Carcello, J. V., Hermanson, D. R., & Rittenberg, R. K. (2005). Factors Associated with U.S. Public Companies, Investment in Internal Auditing: *Accounting Horizons*:19(2), DOI: 10.2308/acch.2005.19.2.69

- Channar, Z. A., Khan, M., Shakri, I. H. (2015). Internal Control Effectiveness and its Relationship with Performance, *IBT Journal of Business Studies (Formerly Journal of Management & Social Sciences)*, 11(2), 92-107
- Chen, L. Y. (2004). Examining the Effect of Organizational Culture and Leadership Behavior on Organizational Commitment, Job Satisfaction and Job Performance at Small and Household, University of Essex: Colchester.
- CIIA. (2012). What is internal audit? Information to help you understand the role and value of internal audit, www.iaa.org.uk
- Committee on Basic Auditing Concepts. (1973). A Statement of Basic Auditing Concepts (ASOBAC), American Accounting Association.
- COSO. (2004). Enterprise Risk Management - Integrated Framework.
- COSO. (2013a). Internal Control, Integrated Framework, Committee of Sponsoring Organizations of the Treadway Commission.
- COSO. (2013b). Internal Control Integrated Framework. Report of the Committee of Sponsoring Organizations of Trade way Commission, Jessey: American Institute of Certified Public Accountants (AICPA).
- Dickens, O. (2016). Internal Control Systems and Performance of Municipal Urban Councils in Northern Uganda: A Case Study of Kitgum Municipal Urban Council.
- Duffus, J., & Howard, W. (2016). Risk Assessment and Risk Management; the Science of Chemical Safety Essential Toxicology – 6, IUPAC Educators' Resource Material.
- Earl, R. B. (2002). *The Practice of Social Research*, (10th Ed).
- Ebrahim, M. A., Abdullah, K. A., & Faudziah, H. B. (2016). The Effect of the Internal Audit and Firm Performance: A Proposed Research Framework. *International Review of Management and Marketing*, 4(1), 34-41, 2146-4405. www.econjournals.com
- Eleftheriadis, I., & Vytas, V. (2018). The measurement of risk and performance in public organizations. *Risk Governance and Control: Financial Markets & Institutions*, 7–15.
- Etuk, I. C. (2011). Evaluation of Internal Control System of Banks in Nigeria, 176
- Fadzil, F. H., Haron, H., & Jantan, M. (2005). Internal Auditing Practices and Internal Control System, *Managerial Auditing Journal*, 20(8), 844-866

- Farouk, M. A., & Hassan, S. U. (2014). Impact of Audit Quality and Performance of Quoted Cement Firms in Nigeria, *International Journal of Accounting and Taxation*, 2(2), 1-22, 2372-4978, 2372-4986
- Fatihudin, D., Jusni, & Mochklas, M. (2018). How to measure performance.
- Fontaine, C., Haarman, A., & Schmid, S. (2006). The Stakeholder Theory of the Multinational Corporation, www.martonomily.com/sites/default/files/attach/Stakeholders%20theory
- Freeman, R. E. (2004). The Stakeholder Approach Revisited, University of Virginia 100 Darden BLVD, <https://www.researchgate.net/publication/228946075>
- Fryrear, A. (2015, July 27). Three ways to improve your survey response rates, <https://www.surveygizmo.com/survey-blog/survey-response-rates>
- Gamage (2014). The Influence of Internal Control Implementation and Managerial Performance on Financial Accountability Local Government in Indonesia. *Implementation internal control system will improve the financial issues*, 7(1), 293-297.
- Glazer, A. S., & Jaenike, H. R. (1980). A Framework for Evaluating an Internal Audit Function, Foundation for Audit Ability Research and Education, Altamonte Springs, FL
- Goodwin, S. J., & Kent, P. (2006). The Use of Internal audit by Australian Companies, *Managerial Auditing Journal*, 21(1), 81-101
- Hancock, B., Windridge, K., & Ockleford, E. (2009). An Introduction to Qualitative Research, the NIHR Research Design Service for Yorkshire & the Humber EM/YH.
- Hannah, N. (2013). The Effect of Internal Controls on Revenue Generation: A Case Study of the University of Nairobi Enterprise and Services Limited.
- Hassan, A. M. (2016). Effects of Internal Control System on the Organizational Performance of Remittance Companies in Mogadishu-Somalia, 2(9), 157, 2455-6661, *IJRDO-Journal of Business Management*
- Idiab, A. (2011). Government institutions and Historical Development, *Journal of Applied Sciences Research*, 7(7), pp. 125, 1819-544X, 1024-1029
- Institute of Internal Auditors. (2003). Internal Auditing: History, Evolution, and Prospects, Professional Practice Framework for Internal Auditing, 0-89413-498-1, www.internalaudit.uonbi.ac.ke

- Jayawardhera, C., & Foley, P. (2000). Changes in the Banking Sector- the Case of Internet Banking in the UK, *Electronic Networking Application and Policy*, 10(1), 19-30, MCB UP.
- Jefferson, W. (2009). The Basics of Internal Controls, Presented to the Institute of Internal Auditors (IIA), Topeka Chapter.
- Jensen, L. K., & Payne, J. L. (2003). Management Trade-Offs of Internal Control and External Auditor Expertise, *Auditing: A Journal of Practice & Theory*, 22(2), 99-119. Pdf, doi: <http://dx.doi.org/10.2308/aud.2003.22.2.99>
- Jensen, L. K., Michael. C., & Meckling, W. H. (1976). Theory of the Firm: Managerial Behavior, Agency Costs and Ownership Structure. *Journal of Financial Economics* 3(4), 305-360
- Jokipii. (2010). The Rise and Fall of Crane Bank: Here is what went wrong, 21st October, www.newz.ug
- Josiah, M. (2013). A Study of the Internal Control Systems of Rural Banks: A Case Study of Nwabiagya Rural Bank.
- Juliet, W. I., Josiah, A., Gituro, W., & Cyrus, I. M. (2016). Corporate Governance, Firm Characteristics, External Environment and Performance of Financial Institutions in Uganda: A review of Literature. <http://dx.doi.org/10.1080/23311975.2016.1261526>, 3:1261526
- Kakooza, P. (2016). *Internal controls and performance of public financial management in second northern Uganda Social Action Fund*. Kampala: Uganda Management Institute.
- Kalemeera, J. M. (2018). *Internal controls and the performance of public higher institutions of learning in Uganda. A case of Uganda Management Institute*. Kampala: Uganda Management Institute.
- Kamau, C. N. (2014). Effect of Internal Controls on the Performance of Manufacturing firms in Kenya.
- Kevin, S. (2005). Encyclopedia of African History, 1, 564, 0-203-48386-3, 0-203-61947- 1, 157958-245-1, www.ebookstore.tandf.co.uk

- Khrawish, H. A. (2011). Determinants of Government institutions Performance: Evidence from Jordan, *International Research Journal of Finance and Economics*, Zarqa University, 5(5), 19-45
- Kiel. (2003). Internal Auditing and Performance of Government Enterprises: A Nigerian study. *Global Journal of Management and Business Research*, 12(6), 4, Published by Global Journals Inc. (USA), 2249-4588, 0975-5853
- Kiema, H., Ahmed, A., &Ndirangu, J. (2015).The Influence of Internal Audit Independence on the Performance of Small and Medium Enterprises: A Case of the Construction Industry in Mombasa County. *International Journal of Management and Commerce Innovations*, 3(1), 2348-7585, 444, www.researchpublish.com
- Kimenyi, Y. (2018). *Risk assessment, practices and performance of business companies in Rwanda. A case of off-grid electric Rwanda*. Mount Kenya University.
- Kinyua, J. K. A. (2016). Effect of Internal Control Systems on Performance of Companies Quoted in the Nairobi Securities Exchange.
- Kumar, R., & Sharma, V. (2005).Auditing Principles and Practice, Prentice-Hall of India Private Limited.
- Laudon, K. C., &Laudon, J. P. (2014).Management Information Systems:Managing the Digital Firm, (13th Global Edition), 978-0-13-305069-1, 120, Pearson Education Limited, www.pearson.com/uk,
- Lawrence, S. (2000). The Usefulness of ERP Systems for Effective Management: Industrial Management and Data Systems, 103(9), 34–56
- Likert, R. (1932). A Technique for Measurement of attitude, *archive of psychology*, 22, 5-55
- Magu, J. K., &Kibati, P. (2016).Influence of Internal Control System on Performance of Kenya Farmers' Association Limited.*International Journal of Economics, Commerce and Management, United Kingdom*, 4(4), 788, 23480386, <http://ijecm.co.uk>
- Mardiana, Puji, E. P., & Ayyu, W. M. (2018). effect of risk management on performance with good corporate governance as a moderation variable. *Management and Economics journal*.
- Meigs, W. B. (1978). Intermediate Accounting, McGraw – Hill, New York

- Michael, C. J. (2001). Value Maximization, Stakeholder Theory, and the Corporate Objective Function, *Journal of Applied Corporate Finance*, 14(3), 8-21, DOI: 10.1111/j.1745-6622.2001.tb00434.x
- Mohammed, A., Shamsheer, M. R., Taufiq, H. S. C., & Zulkarnain, M. S. (2011). Impact of Internal Audit Function (IAF) on Financial Reporting Quality (FRQ): Evidence from Saudi Arabia, *African Journal of Business Management*, 5 (27), 189-198
- Mormul, K. (2021). Risk Management in the Management Control System in Polish Local Government Units—Assumptions and Practice. *Risks*, 1–14.
- Munene, M. J. (2009). Effects of Internal Controls on Performance of Technical Training Institutions in Kenya.
- Muraleetharan, P. (2010). Internal Control and Impacts on Performance of Organizations (special reference public and private organizations in Jaffna District), 9-13
- Murthy, Y., & Sree, R. (2003). A Study on Financial Ratios of Major Government institutions, Research Studies, College of Banking & Financial Studies, Sultanate of Oman.
- Mwindi, D. (2008). Auditing, Nairobi, Kenya: Focus Publishers, 131-135
- Ndamenenu, K. D. (2011). Internal Control and Its Contributions to Organizational Efficiency and Effectiveness: A Case Study of Ecobank Ghana Limited.
<http://ir.knust.edu.gh/bitstream/123456789/4210/1/Douglas%20thesis.pdf>
- Ndifon, E., & Patrick E. (2014). The Impact of Internal Control Activities on Financial Performance of Tertiary Institutions in Nigeria. *Journal of Economics and Sustainable Development*, 5(16), 133, 2222-1700, 2222-2855, www.iiste.org
- Niyonsenga, E., & Abuya, J. O. (2017). Internal Control System and Performance in Financial Institutions in Rwanda: A Case of I & M Bank Ltd Rwanda, *African Journal of Business and Industry*, 2(3), 46 – 58, 2413-3213, 2413-3213
- Novinson, E. (2017, April 19). The Relationship between Value Maximization and Stakeholder Theory, <https://pocketsense.com/relationship-between-value-maximization-stakeholder-theory-2015.html>
- Ntongo, V. (2012). Internal Controls, Financial Accountability and Service Delivery in Private Health Providers of Kampala District, 18

- Nuraini.A. (2015). The Role of Corporate Governance in Financial Reporting's Quality (Evidence from Indonesia Stock Exchange). *Research Journal of Finance and Accounting*, 6(6), 129, 2222-1697, 2222-2847, www.iiste.org
- Nyakundi, D. O., Nyamita, M. A., &Tinega, T. M. (2014). Effect of Internal Control Systems on Performance of Small and Medium Scale Business Enterprises in Kisumu City, Kenya, *International Journal of Social Science and Entrepreneurship*, 1(11), 719- 734
- Nyanzi, S. S. (2017, July 25). The failure of Crane Bank was not inevitable, was there an arm's length relationship between Ruparelia members of management of his bank? https://www.newvision.co.ug/new_vision/news/1458432/failure-crane-bank-inevitable
- Oduware. (2012). Corporate Governance, Capital Structure and Performance of Government institutions, 3
- OECD. (2021). *Ownership and governance of state-owned enterprises. A compendium of national practices 2021*. OECD.
- Ondieki, N. M. (2012).Effect of Internal Audit on Performance of Government institutions in Kenya, 4
- Onsongo, S. K., & Muathe, S. M. (2020). Financial risk and performance: Evidence and insights from commercial and services listed companies in Nairobi securities exchange, Kenya. *International Journal of Financial Studies*, 1–15.
- Otoo, I. C., Peprah-Amankona, G., & Andzie, A. T. (2021). Impact of Internal Control Systems on Performance of Universal Banks: Evidence from Ghana. *Journal of Financial Risk Management* , 473-486.
- Owaor, M. (2008). United Bank for Africa Goes to Mbale, Cited in New Vision.
- Pempreh, K. B., Twumasi, P., Kyeremeh, K. (2015).Assessment of Financial Control Practices in Polytechnics in Ghana: A Case Study of Sunyani Polytechnic, Ghana; *International Journal of Economics, Commerce and Management*, 3(9), 2348 0386, 776-779, <http://ijecm.co.uk/wp-content/uploads/2015/09/3951.pdf>
- Ravinder, D., &Muskula, A. (2013).Financial Analysis-A Study, *IOSR Journal of Economics and Finance (IOSR-JEF)*, 2(3), 2321-5933, 2321-5925, 10-22, www.iosrjournals.org
- Ray & Kurt. (2011). Stakeholder Theory and Organizational Ethics, (1st Ed), 978-1-57675-268-5, 978-1-60509-817-3, Berrett-Koehler

- Rehman, H., Ramzan, M., Hwang, J., & Kim, K.-B. (2021). Risk management in corporate governance framework. *Sustainability*.
- Roussakis, E. N. (2000). Global Banking: Origins and Evolution, transações bancárias, tendências, perspectivas, história, RAE - Revista de Administração de Empresas, 37(4), 45-53
- Russell, W. H. (2009). Internal Control-An Overview, Understanding Basic Principles behind the Establishment of Controls, Department of Audits and Accounts: Atlanta, https://sao.georgia.gov/sites/sao.georgia.gov/files/imported/vgn/images/portal/cit_1210/37/10/155192635internal%20controls%20training%20ARRA.pdf
- Shabri, S. B. M. (2013). The Effects of Internal Control Systems on Cooperative's Profitability: A Case of Koperasi Pekan Rabu Alor Setar Berhad.
- Shafer, D. S., & Zhang, Z. (2012). Beginning Statistics: The Linear Correlation Coefficient, 542
- Shokoohi, M., Saeidi, P., Kazemi, S., & Malek, M. (2015). Investigation of Internal Control System and Performance of Telecommunication Company of Golestan Province, 3(2), 206-211, 0373-2525
- Soudani, S. (2013). The Impact of Implementation of E-Accounting System on Financial Performance with Effects of Internal Control Systems, *Research Journal of Finance and Accounting*, 4(11), 2222-1697, Islamic Azad University U.A.E. Branch Dubai.
- Ssuuna, P. M. (2008). Effects of Internal Control Systems on Performance in Institutions of Higher Learning in Uganda: A Case of Uganda Martyrs University
- Stanbic Bank. (2014). Annual Report and Financial Statements, [https://www.stanbicbank.co.ug/standing/](https://www.stanbicbank.co.ug/standing/Uganda/fileDownloads/SBU_Annual_report.pdf) Uganda/fileDownloads/SBU_Annual_report.pdf
- Titus, M. M. (2013). Corporate Governance and Performance of Government institutions in Uganda: A Case of Stanbic Bank Uganda Limited, Pdf, www.Academia.Edu/6459609
- UIBFS. (2008). A historical perspective of Uganda's banking sector, <https://www.slideshare.net/UIBFS/introduction-to-financial-services-11>
- United Bank for Africa. (2009). UBA Group Financial Report: Condensed Result of Consolidated Subsidiaries (Pdf) United Bank for Africa, 214
- United Bank for Africa. (2016). Annual Report and Accounts, 53-54

United Bank for Africa. (2016). Annual Report: Financial Statements, 23

Weiss, A. R. (1995). Cracks in the Foundation of Stakeholder Theory,

<https://www.researchgate.net/publication/265230970>

Whittington, O. R., & Pany, K. (2001). Principles of Auditing and Other Assurance Services, Irwin/McGraw-Hill. New York.

Yahaya, O. A., Kutigi, U. M., Solanke, A. A., Onyabe, J. M., & Usman, S. O. (2015). Current Asset Management and Performance: Evidence from Listed Deposit Money Banks in Nigeria, *International Journal of Africa and Asian Studies*, 13, 45, 2409-6938, <https://iiste.org/journals/index.php/JAAS/article/25607>

Yamane, T. (1967). Statistics; An Introductory Analysis, (2nd Ed), A Harper International Edition, *Jointly Published By* Harper & Row, New York, Evanston & London and John Weatherhill, Inc., Tokyo.

Zipporah, N. N. (2015). The Effect of Internal Controls on the Performance of Manufacturing Firms in Kenya.

Appendix I: Questionnaire for Administration Staff, Medical Officers and Department Heads at Kabale Regional Referral Hospital

Dear respondent,

I am Kihembo Grace, a student of Kabale University pursuing a Master of Business Administration. As part of the requirements for this award, I am undertaking a study on “Internal control systems and performance of Government institutions in Kabale District. A case of Kabale Regional referral hospital. I am therefore requesting you to participate in this study. Your responses will be treated with great confidentiality and used for study purposes only.

SECTION A: Bio-data Information of Respondent

1. Gender i) Male [] ii) Female []

2. Level of Education

i) Certificate [] ii) Diploma [] iii) Degree [] iv) Masters []

v) Other (Specify).....

3. Age bracket

i) 18-35 Years [] ii) 35-60 Years [] iii) Above 60 years []

4. Number of Years you have worked with this organization

i) Less Than One Year [] 1-5 Years [] 6-10 Years[] Above 10 yrs []

For sections B to E use the scale below to give the extent to which you agree or disagree to the information provided in the table. Rating scale. *1= Strongly Disagree, 2= Disagree, 3= Neutral, 4= Agree, 5= Strongly Agree*

SECTION B: Control Activities

SN	Item	1	2	3	4	5
CA1	My organization management separates its roles/duties amongst its employees					
CA2	In this organization, senior staff checks the work employees under their department					
CA3	Authorization is required for every activity					
CA4	KRRH has security that identifies organization assets					
CA5	KRRH management weekly checks on employees' level of					

	meeting set targets					
CA6	There is a routine check on physical assets of the hospital every week					
CA7	There is strict adherence to approval and authorization systems in place					
CA8	All financial documents are reviewed for accuracy					

SECTION C: Control Environment

S/N	Item	1	2	3	4	5
CE1	Control environment has affected institution's revenue for the last five years					
CE2	Control environment has affected institution's operating costs for the last five years					
CE3	Control environment has affected institution's fees income on capital for the last five years					
CE4	Internal audit gives appropriate information to external auditors					
CE5	control environment of your institution has a significant influence on performance					
CE6	My institution has an internal audit department that guides financial resources					
CE7	Management must get approval from the internal audit before any expenditure					

SECTION D: Risk Assessment

N/S	Item	1	2	3	4	5
RA1	Risks are identified in terms of occurrence likelihood					
RA2	Risk assessment helps the management of the organization in risk identification, risk analysis, and risk evaluation by reviewing current and historical information through a thorough comparison of events					

RA3	The management must be aware how to anticipate and deal with risks and must also establish methods and mechanisms to identify, analyze and manage risks that are likely to have an impact on the performance of the organization					
RA4	The risks are assessed in terms of achievement of objectives					
RA5	There are strong risk assessment measures at each financial control desk					
RA6	Risks that occur are carefully analysed by all staff					
RA7	Senior officials assist junior staff to analyse risks					
RA8	Financial controllers communicate likely risks to all staff					

SECTION E: Performance

	Item	1	2	3	4	5
FP1	Financial controllers staff regular present departmental reports					
FP2	The Auditors present financial reports to management in time					
FP3	My institution always accounts for unused cash at the end of every financial year					
FP4	My institution meets all its short- and long-term financial obligations whenever they are due					
FP5	All finances received at this council are well reported to stakeholders					
FP6	My institution often meets its budgets estimates for all user departments					
FP7	Financial reports are prepared in time					
FP8	The local revenue for my organization has increased					
FP9	There are reports of financial mismanagement in my organization					
FP10	Not all budgetary allocations are utilized by user departments					
FP11	There are reports of unauthorized public expenditure in my institution					

End

Appendix II. Interview Guide for Directors at Kabale Regional Referral Hospital

1. Do you consider that the control activities of your institution have a significant influence on performance of your institution? [Y] [N]
2. Do you consider control activities to be effective in your institution? [Y] [N]
3. In your opinion, how has control activities affected performance of your institution?
4. To what extent do you agree with the statements below relating to effect of control activities?
5. Do
you consider that the risk assessment of your institution has a significant influence on performance of your institution? [Y] [N]
6. Do you consider risk assessment to be effective in your institution? [Y] [N]
7. In your opinion, how has risk assessment affected performance of your institution?
8. Do you consider that the control environment of your institution has a significant influence on performance of your institution? [Y] [N]
9. Do you consider control environment to be effective in your institution? [Y] [N]
10. In your opinion, how has control environment affected performance of your institution?

Appendix III: Documentary Checklist

Variable	Unit to Review	Department	Remarks
Control Environment - Ethical Values - Human Resource policies	- Hospital Policy manuals -Terms and conditions of service manuals -Organisation charts	- Directorate of Human Resources -Directorate of Hospital Administration	
Control Activities - Physical Controls over Assets - Segregation of Duties	-Finance manuals -Human resource policy manuals -Payment Vouchers -Reconciled books of Accounts -Safe for keeping cash	- Finance -Human resource	
Risk assessment - Risk identification - Risk management strategy	-Internal Audit Reports -External Audit Reports -Board minutes -Memo's	-Hospital Administration -Finance	
Performance -Accountability -budgetary management	-Kabale Regional Referral Hospital audit Reports 2015/2016 2017/2018 2019/2020	Finance	

Appendix IV: Results of Cronbach's Alpha

Scale: ALL VARIABLES

Case Processing Summary

		N	%
Cases	Valid	10	100.0
	Excluded ^a	0	.0
	Total	10	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.771	.771	10