

**INTERNAL CONTROLS AND FINANCIAL PERFORMANCE OF KAMPALA  
INTERNATIONAL UNIVERSITY.**

**BY  
KATUSIIME ALLEN  
1153-05026-01403  
MBA F&A**



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## ABSTRACT

The study sought to establish the effect of internal controls on the financial performance in Kampala International University. The study was guided by three specific objectives, which included i) determining the effect of control environment on financial performance of Kampala International University; ii) establishing the effect of control activities on financial performance of Kampala International University and (iii) to establish the effect of risk management on financial performance of Kampala International University. This research employed survey research design, the study used a total population of 428 employees and a sample size of 207 employees, and the questionnaire and interview guide were used as the research instruments. Descriptive statistics used in this study included frequencies, means and standard deviation, and lastly regression analysis. The findings revealed the following: Control environment had an insignificant effect on financial performance of Kampala International University (R square= 0.488 and sig value=0.122), there was an insignificant effect of control activities on financial performance of Kampala International University (R-square=0.373 and sig value=0.198) and finally the study connoted a positive insignificant effect risk management has on financial performance of Kampala International University (R-square=0.141and sig value=0.533). The study concluded that; there was no significant effect of internal controls on the financial performance of Kampala International University. The study recommended the following; although there was an insignificant effect of risk management on the financial performance of Kampala International university, the management of Kampala International University should have a well-documented policy on risk management, this will help on the reduction of risks within the University, have a functional internal audit department and improve other control activities like monitoring and evaluation, should exert collective efforts in identifying the ideal mix of effective and efficient internal control that matches their business needs and invest in them, The management of Kampala International University should concentrate on other factors like interest rates, exchange rates and pricing of courses that affect financial performance of the university in order to have an improved financial performance. The Findings of this study are expected to be of value to the stakeholders of Kampala International University to form a basis of improving financial performance of the Institution.