Abstract

The study embarked on the relationship between internal control system, corporate governance and performance of financial Institutions. Both the quantitative and qualitative approaches were employed to achieve the set objectives. Using questionnaires, quantitative data were collected from 400 respondents employed in financial institutions found in commercial banks, credit institution, microfinance institutions, companies and savings credit cooperatives. Through interviews, qualitative data were gathered from 12 chief executives from financial institutions understudy. Quantitative data were analyzed by means of correlation and regression analyses, while content analysis was applied to the qualitative data. Empirical evidences revealed that the internal control system and performance were correlated interdependently. Thus, the study proposed a revitalized linkage between internal control system and financial institutions. The study concluded that internal control system did not exist in some financial institutions and had not been fully integrated in the strategic agenda of most financial institutions in Uganda. In the current financial age then, financial institutions in Uganda should prioritize both internal control system and performance as key strategies for growth by training staff and creating a reliable environment to attract foreign investment.