

**THE IMPACTS OF INTERNAL CONTROL SYSTEMS ON THE PERFORMANCE
OF DISTRICT LOCAL GOVERNMENTS OF UGANDA: A CASE STUDY OF
ADJUMANI DISTRICT LOCAL GOVERNMENT**

BY

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DECLARATION

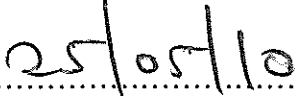
I Dhama Charles Wilson hereby declare that the content of this study is my own work and has never been submitted elsewhere for academic award, where the work of others have been cited, acknowledgements have been made.

Signature.....
Date25/05/2010.....

APPROVAL

This is to certify that this Research Dissertation report has been under my supervision and is now ready for submission to the school of business and management for the award of a degree in Business Administration of Kampala International University


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DEDICATION

This research report is dedicated to my beloved late parents, Morris Kelly and Florence, whose wisdom and love has stimulated the seeds of academic greatness in my life. I deeply appreciate that wisdom and the determined effort to my success.

It caused me to realize in the early stages of my school career that blessings can not be computed, for the true blessings of life are the treasure hidden in the reservoirs of human heart.

This research is also dedicated to my dear siblings: Amacha Godfrey Morris, Iya Habert Morris, and Majoku Emmanuel Morris, Edward and my sisters Concy, Doreen, and Scovia whose love and consistent support laid the foundation for my academic excellence.

I also dedicate this research report to my dear Spornsorer Philipp Harfmann, Uncle Dhama Henry Kelly, my aunties: Grace and Joyce who assisted me financially materially, morally and spiritually. They showed me that hard work is the first step to achieving personal success.

Finally, I would like to dedicate this research report to my friends in the names of Emmanuel and his girl friend Gladys, Mr Aluonzi Burani, Mr Anyama Charles the Deputy dean for for the faculty of social science, Noel, Gasper, Iya William and my love Harrie and others who actually helped me to accomplish this work by giving literatures, sharing ideas and forming group discussions.

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Finally, I sincerely wish to thank all the respondents and everyone who provided me with information relevant for completing my research work. And special thanks go to the staff and management of Adjumani District local government for giving me literatures relevant to my research problem. I believed that their contribution helped me come up with this final report.

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LIST OF ACRONYMS

G.A.A.S	Generally Accepted Auditing standard.
I.C.S	Internal Control Systems.
U.B.O.S	Uganda Bureau of Statistics.
S.A.P	Statement on Auditing Procedure.
C.O.S.O	Committee of Sponsoring Organization.
C.F.O	Chief Finance Officer.
C.A.O	Chief Administrative Officer.
N.S.A.D.P	Northwest Small holders Agricultural Development Project.
R.D.C	Resident District commissioner.
LGDP II	Local Government Development Programme II.
G.A.A.P	Generally Accepted Accounting Principle.

ABSTRACT

The study focused on Internal Control Systems and its impacts on the performance of local governments of Uganda. It was conducted in Adjumani District, located in West Nile region of Northern Uganda. The study aimed at investigating the Impacts of Internal control systems on the performance of Adjumani District local government. The researcher employed both quantitative and descriptive approaches and the population included departmental staffs and a few people who are employees at the District Headquarters were also chosen to prove the validity of the information given by the civil servants, and altogether a sample of seventy (70) respondents has been selected.

The researcher used basically two methods to collect data. This included interviews and questionnaires which made the researcher to complete his study in the most convenient time possible. Findings of the study indicated that there is still a lot to be done to fully implement efficient and effective internal control systems at Adjumani district local government headquarters. This was reflected basically in 2009 when a controversy aroused between the District chairman and the chief finance officer on the source and accountability for the fund used for the purchase of the official vehicle for the District LC5 chairman, up-to-date people are ignorant on whether the vehicle is a donation from the central government as stated by the District chairman or acquired by the District as according to the chief finance officer and accountability. The study concluded that the District needs to still do a lot, for example stopping the politicization of government development programme.

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CHAPTER ONE

INTRODUCTION

1.0. Background of the study

In a global business environment, particularly the 21st century, there is always competition in many aspects, for example, services delivery, customers satisfaction quality production, development of employees in all the sectors of the organization for example, production sector, finance sector, marketing and human resources management, among others. To always get better results of the objectives of organizations, effective internal control systems have to be established and put in place.

According to Hermanson, Loeb, and Strawers (1983), in relation to statement on Auditing procedure (S.A.P) no. 33 defined internal control as the plan of organization and all of the co-ordinate methods and measures adapted within a business to safeguard its assets, check the accounting and reliability of its accounting data, promote operational efficiency, and encourage adherence to prescribed managerial policies.

Arens and Loebbecke (2000) also commented that internal control is designed to provide reasonable assurance regarding the achievement of management's objectives in; reliability of financial reporting, effectiveness and efficiency of operation, and compliance with applicable laws and regulations.

At the beginning of the 19th century most businesses were small and owner-operated. These owner-managers were involved with most of the decision making. As

businesses grew in size and complexity professional managers replaced owner-operations. Professional managers do not have the same first hand knowledge of all aspects of the business as did the owner-operations. Consequently, they rely heavily on the information supplied to them by the accounting and other information systems. To assure management that the information it receives is both reliable and accurate, a system of internal control is developed. The system also helps ensure that assets are secure and that management policy is being followed.

Management is not the only group that looks to the system of internal control for assurance as to the reliability information. Independent auditors also rely on the system of internal control in determining the timing, nature and extent of their audit work.

In organizations, independent auditors usually do not verify every transaction that occurs during the year. To do so would be both unnecessary and uneconomical. Auditing standards require only that the auditors obtain "sufficient competent evidential matter on which to base an opinion. Much of this evidence is obtained by "testing-examining" a representative sample. The extent of testing that is required in a particular circumstance depends in large part on the auditor's evaluation of the effectiveness of the clients system of internal control, usually the more effective the controls, the smaller the sample that will be required to test a year- end account balance.

According to the Report and opinion of the Auditor General to parliament on the Public Accounts of the republic of Uganda for the year ended 30th June, 2006, on diversion of funds where a sum of shs. 263,000,000 were paid to Jinja Municipal

council to settle a presidential pledge for the construction of Jinja market. The money was paid out of Jua Kali activities vote and not from the State House vote which would normally cover presidential pledges. Such diversions (unbudgeted for expenditures) are likely to cripple the implementation of the planned activities of the Jua kali programme for the financial year, and the auditor general then advised the management to always follow up the matter and ensure proper accountability, which are systems for a good internal control systems.

The importance of the auditors' evaluation of internal control of an organization is recognized by its inclusion as one of the ten generally accepted auditing standards (G.A.A.S). The second standard of field work requires "...a proper study and evaluations of the existing internal control as a basis for reliance thereon and for the determination of the resultant extent of the tests to which auditing procedures are to be restricted".

Adjumani District formerly, East Moyo constituency is located in the west Nile region of Northern Uganda. The district is bordered by Southern Sudan in the north, the North East by Amuru district, and on the south bordered by Obongi constituency. Adjumani is majorly dominated by the madi tribe who speak madi language, though there are also other tribes within the district, for examples the Lugbara, the southern Sudanese, in particular kuku, madi from Sudan, Dinkas, among others, the Acholi, and others.

The district was pronounced its district status in July 1997 on people's request to the central government for easy access to government services. It has a population

200,000 persons and a population density of 66 persons/ km². Uganda Bureau of statistics (UBOS, 2001).

1.1. Statement of problem

According to the Annual Report of the Auditor General for the year ended 30th June 2008, volume 3, for Adjumani District, included in the cash and cash equivalents of shs 138,918,000 was shs 47,130,803 and shs 92,166,393 in respect of LGDP II Grant and road maintenance account respectively was not returned to the Treasury as required and was not explained whether the authority was obtained for their retention, so the Auditor general in expressing his independent opinion qualified the report, so this therefore requires institution of systems of Internal control systems for effective management of the District's finance.

According to the Report and opinion of the Auditor General to the Parliament on public Accounts of the republic of Uganda for the year ended 30th June, 2006, on Adjumani District where funds were advanced for supervision of NSADP activities in the district, especially to the project coordinator, the Chief administrative officer, the Resident district commissioner, the secretary for production and the sub-county chief of Ofua sub-county, these officers did not file any activity reports and after their supervision visits, some had no financial accountability thus making it difficult to know whether they actually carried out these activities, hence all these calls for putting in system of Internal control systems to manage the assets and the finance of the District.

Therefore, the researcher investigated the impacts of internal control systems (ICS) in the performance of the district local governments of Uganda. The case study has been Adjumani district local government.

1.2. Objectives of the study

1.2.1. General objectives

The Objective of the study was to investigate the impacts of internal control systems on the performance of the district local government of Uganda, with the case study of Adjumani district local government.

1.2.2. Specific objectives

- (a) To find out the relationship between the internal control systems and performance of local government (Adjumani district).
- (b) To investigate the impact of the internal control systems on the performance of Adjumani district local government.
- (c) To identify the different types of internal control systems used by Adjumani local government.

1.3. Research questions

The study was used to get answers from the respondents for the following research questions.

- (a) What is the relationship between the internal control systems and performance of Adjumani district local government?
- (b) What are the impacts of internal control systems in performance of Adjumani district local government?

(c) What are the different types of internal control systems used by Adjumani district local government?

1.4. Significance of the study

(a).The researcher hoped that the research would form basis for further research on the impacts of internal control systems on the performance of Adjumani district local government.

(b).The research would be of significance for the policy makers of the local government of Uganda in formulating the best systems for internal controls, policies and procedures for effective service delivery by the Districts local governments of Uganda.

(c).The researcher further hoped that the study would make contribution to the understanding of the role of the internal control systems to the performance of the district local government of Uganda and Adjumani district in particular.

(d).The researcher also hoped that the study would be used to identify the procedures relevant for emphasizing the use of internal control systems for all district local government of Uganda.

1.5. Scope of the study

The researcher employed both qualitative and quantitative research designs while carrying out the research on the impacts of internal control systems on the performance of Adjumani district local government with the sample of 70 respondents.

The researcher carried out the study in one of the district of Uganda that is Adjumani district that lies in West Nile region of northern Uganda. Why the researcher has chosen to carry out this research in this district was because of having enough knowledge about the district and the language, which helped him to easily interact with the respondents to get more information on the topic.

The researcher only concentrated on the collection of data that specifically related to the impacts of internal control systems on the performance of Adjumani district local government, and any other information that was related to internal control systems within the district local government.

The study was conducted within the months of February to April 2010, then the interpretation and compilation of the data collected was effected immediately, and the dissertation or the final report was handed to the school in the month of May 2010.

1.6. Limitations of the study

The researcher expected to finish the study within the stated time frame, but nevertheless the following were the problems faced during the study;

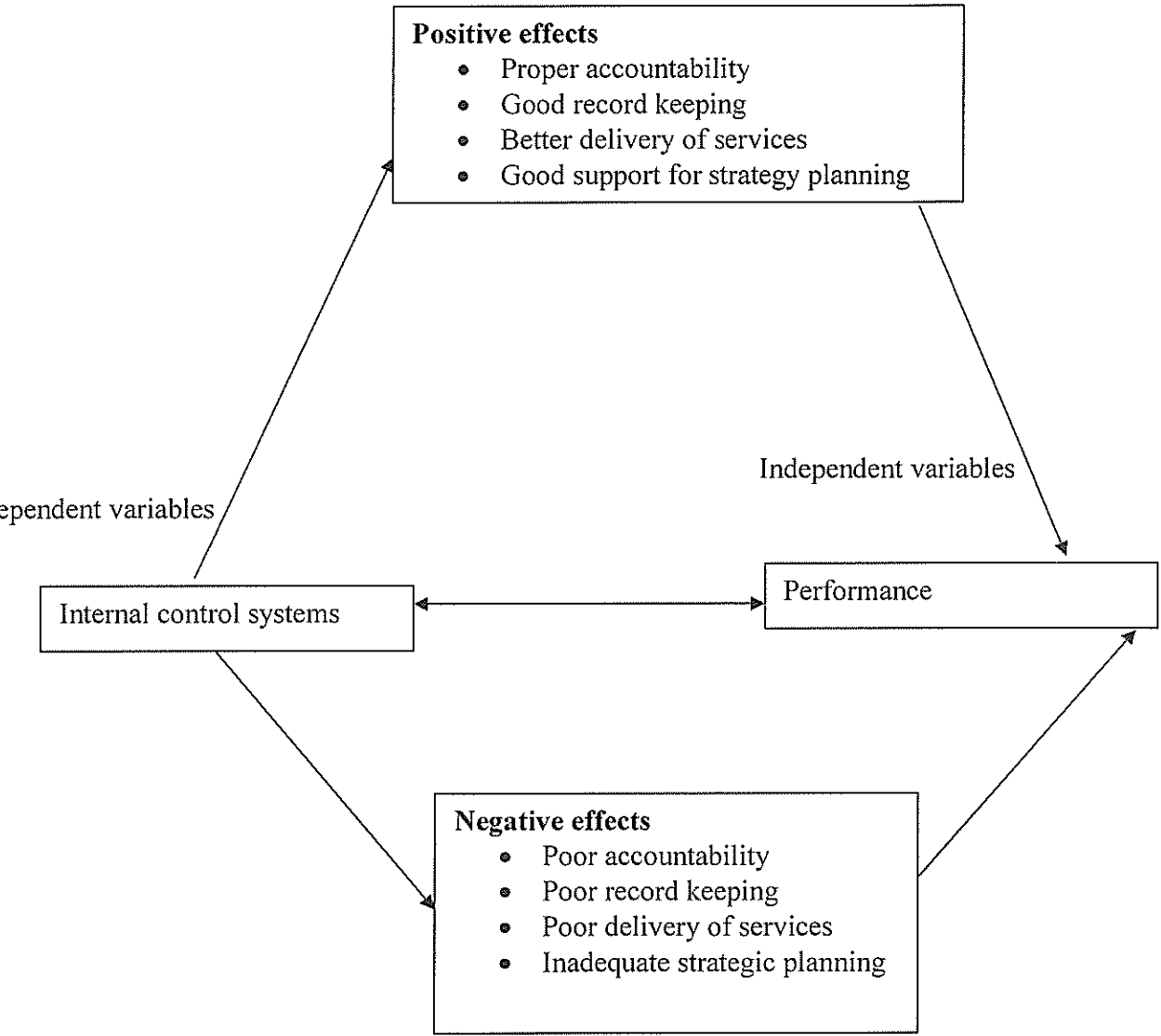
(a).There was denial of information by some the respondents, as some had negative attitude towards the study.

(b).The time allocated for the researcher was limited, because it was very important for the researcher to carry out the study not only in one district but in other Districts of Uganda as well, but time was limited.

(c).There arose some financial problems to facilitate the researcher in the process.

However, in spite of all the above limitations faced by the researcher during the study, the researcher did all the possible things to ensure that he has fully accomplished the study within the given duration.

1.7. Conceptual frame work.



The above illustrated conceptual frame work was explained in the way that, a well established internal control system may result into proper accountability, good record keeping, better delivery of services, and it also enhances strategic planning, all these enables the organization to achieve its goals and objectives.

While if internal control systems are not put in place or not well established, it will have negative effects onto the performance of an organization for example; poor accountability, poor record keeping, poor delivery of organization's services, and may also led to inadequate strategic planning for the entity, among the others.

Therefore management of organizations need to ensure that they improve further on their systems of Internal control systems.

CHAPTER TWO

LITERATURE REVIEW

2.0. Introduction

This chapter discussed the literature related to the impact of internal control systems on the performance of organizations. The literature particularly focused on the impact of internal control systems on the performance of district local governments, the relationship between internal control systems and performance of the district local governments and different types of internal control systems presented by different author of books, therefore the literature was mainly taken from other secondary sources of data.

2.1. Definition of concepts

Hermanson, Loeb and Strawser (1983), in their book “ Auditing theory and practice”, defined internal control as the plan of organization and all of the co-ordinate methods and measures adapted within a business to safeguard its assets, check the accuracy and reliability of its accounting data, promote operational efficiency, and encourage adherence to prescribed managerial policies. This definition recognizes that internal control systems extends to functions which might not be directly related to either the accounting or financial departments.

Oxford dictionary (Advanced learners) also defines, internal as meaning something that exists or happens entirely within an organization and not involving people from outside, and control meaning management or restriction of something”

Arens and Loebbecke (2000), defined internal control as a process designed to provide reasonable assurance regarding the achievement of management's objectives in the categories of; reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations.

Garry Dessler, (2008), defined performance as an action or achievement, confined in relation to how successful something is.

2.2. Relationship between internal control systems and performance

Donald, Jerry and Terry (2001) in their book, they stated that a good internal control system should accomplish the broad objectives of an organization, that internal control systems safeguard the company's assets such as capital good, motorcycle, labor and others. If the internal control systems are weak, then the performance is negatively affected.

They further emphasize that a well established internal control systems produce reliable records of accounts of an organization, hence meaning that, if the internal controls systems are not properly utilized or not put in place, then it can pose lots of negative impacts on the financial performance of an organization, because it may result to falsification of records, corruption, among others.

Hermanson, Loeb and Strawser (1983), in their publication notes, explained about how internal control systems can assist management for assurance as to the reliability of information, and as well independent auditors who rely on internal control system in determining the timing, nature, and extent of their audit work. This means that if the internal control systems in an organization are well established,

then it will help to improve the performance of organization's managers and independent auditors; however when the internal control systems are not well established in an organization, then the performance of the organization is also negatively affected.

Jerry Weygand and Donald E. Kieso in their book, ***Accounting principles***, states that poor internal control systems leads to dishonesty in the organization, they also went further and illustrates an example of where a computer operation embezzled \$21 million from wells Fargo Bank for over a two year period and was reported in the financial press. Additionally, a shipping clerk of 28 years of services reported to have shipped \$125,000 of the merchandise to himself. However, when internal control systems are put in place in an organization, it can help to minimize all such occurrence which is dangerous if an organization is to exist longer.

2.3.1. Types of internal control systems

These are mainly subdivided into three, and they include;

(a).Preventive internal control systems, these are controls that prevent risks from occurring. For example authorization controls that should prevent fraudulent or enormous transaction taking place, other preventive controls includes, segregation of duties recruiting and training the right staff and have effective control culture.

(b).Detective internal control; these are controls that detects if any errors have been committed. These could be exception types of reports that reveal that controls have been circumvented. For example, large amounts of money paid without being

authorized. Other examples in this case could include reconciliation, supervision and internal checks.

(c).Corrective internal controls, these are controls that address any problem that have occurred, where problems are identified those controls that will ensure that the problems are properly rectified, examples here includes follow up procedures and management action.

2.3.2. Principles of internal control systems

D.P Jain (1993), in his book 'Auditing' states that accounting control comprises of the plan of organization and the procedures and records that are concerned with the safeguarding of assets and the reliability of financial records, and consequently are designed to provide assurance that; transaction are executed in accordance with management's general or specific authorization, access to assets is permitted only in accordance with management's authorization, recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(a).Establishment of responsibility, Paul D Kimmel (2002), pointed out that, 'control is most effective when only one person is responsible for a given task'; he then observed that establishing responsibility includes the authorization and approval of transaction. for example in stores management, one who keeps the keys to the store room has to be different from that who keeps the record of what is in the store.

(b).Segregation of duty, this is indispensable in the internal control system. In this principle, related activities that should be assigned to different individuals usually arise in both purchasing and selling. Donald E. Kieso emphasized that, if one individual is responsible for all the related activities, the potential for errors and irregularities is increased. Therefore related activities such as ordering merchandise, receiving the goods and paying, should be handled by different individuals.

(c).Independent checks on performance and proper valuation of assets. O.Ray Whittington (1992) in his book principles of Auditing argues that the accuracy of the work of various individuals in a company may be verified by the independent checks, computer program controls, independent review reports and reconciliations. When the accounting and custodian departments are relatively independent, the work of each department serves to verify the accuracy of the work of the other. He further emphasized that records have to be independent of the custodian departments, so that it can not be manipulated to conceal waste, loss or theft of the related assets.

In accountability for assets, Belvered E. Needles (1993) stressed that, “to provide valid basis of accountability for an asset, the accountant should neither have physical custody of the asset nor access to it. Similarly, the custodian of the asset should not maintain or have access to the accounting records”. He clearly highlighted that when one employee maintains the record of the assets that should be on hand, and a different employee to have physical custody of the assets, the custodians of the asset is not likely to convert the asset to personal use.

Performance of both internal audits and external audits. Econ E. Harry (1995), in his book, “ accounting for governmental and non profit entities” described auditing as

being carried out in financial and performance audit. He further emphasized that financial audits provide an auditors opinion that financial statements presents fairly on entity's financial position and results of the operation in conformity with the statement on auditing procedure (SAP). According to him, performance audits provide an auditor independent determination of the extent to which government officials are efficiently, economically and effectively carrying out their responsibilities. Hence, stressing for the need to carry out both financial and performance audits by any use of internal control systems.

Again, O.Ray Whittington added that financial audit determine whether the financial statement of the audited entity presents fairly the financial position of the organization, the results of operations and cash flows in accordance with the generally accepted accounting principles (GAAP) and whether the entity has adhered to specific financial requirements.

Alvin and James, (1994), in their book 'Auditing, an integrated approach', suggested that companies establish a system of internal control systems to help them meet its own goals. That, the systems consists of many specific policies and procedures designed to provide management with reasonable assurance that the goals and objectives it believes important to the entity will be met.

Similarly, in 1992, a significant study on internal control entitled, 'internal control integrated frame work' was published. It was sponsored by the committee of sponsoring organization (COSO) of the treasury commission, a group of several accounting organizations. The study is often referred to as the C.O.S.O report. to the

report, control systems must be beneficial, hence internal control systems have to be fully put in place, to enable an organization achieve its objectives and goals.

Buckles, Beasley and Glover (2000), wrote about an incident that occurred in 1997, where two directors, of two different companies agreed to merge and form a new, 'cendant corporation', the two companies were CUC international, Inc, which was a marketing giant with shopping, travel, automobile and international clubs serving more than 68 million members world wide, and HFS, Inc was a franchisor of brand-name chains such as Ramada, Days Inn, Avis and century 21, with more than 100 million customers world wide. The cross- marketing opportunities between CUC and HFS were expected to create synergies that would further increase the revenue and profit growth of the newly formed entity, cendant. However, the high expectations of the management and investors were severely deflated in April 1998, when cendant announced a massive financial fraud miss stating CUC' s 1997 financial statements, which were issued prior to the merger with HFS. The fraud was discovered when responsibility for cendant's accounting functions was transferred from former CUC personnel to former HFS personnel.

To minimize the fall out from the fraud, cendant quickly hired special legal counsel who in turn hired Arthur Andersen; LLP an auditor to perform an independent investigation, hence resulted to firing many company employees, like the chief financial officer (C.F.O), the internal auditor of the corporation, among others.

In the analysis of the above, this therefore shows the weakness of the internal control systems of the new corporation, hence necessitating a well established, functioning

internal control systems to avoid such problems of fraud and embezzlement in an organization.

Rotation of employees, James C. Hamrel (1992) stressed the importance of employee rotation, where by he sited the example of accounts receivable clerks, each responsible for certain alphabetical segment since such procedures may disclose errors and irregularities caused by carelessness and dishonesty.

Misappropriation of funds especially in financial institutions such as banks, here often been discovered during an employee's absence when the perpetrator could no longer control or manipulate the records.

Adequate records and equipments, Earnest Hanson (1993) argued that adequate records are important not only in the accounting for a company's resources but also in providing management with the accurate and reliable information. According to him, the forms of internal control systems used with the accounting records should promote accuracy and efficiency, and that one of the paramount features of a complete record keeping system is a comprehensive chart of accounts that classifies information in a manner best suited to the goals of management.

Focus towards the achievement of the aims it is intended. This relates to proper service delivery and reduction of bureaucratic tendencies. The daily monitor September 8th 2008 reported that, the mayor of Gulu municipality sacked his council members.

The paper is quoted, 'move taken to improve the delivery of services; and the affected councilors included; secretary for finance and administration, secretary for education and social services, secretary for community development all of whom the paper

reported to have been incompetent, hence all such situations needs effective and working internal control systems to get ride of, which then will enable an organization to achieve its goal and objectives.

Similarly, the New Vision Tuesday, June 1st, 2001, reports that, seven Mayuge district officials were held over fraud. In the report those arrested includes C.A.O, C.F.O, Internal auditor of the district, the district Engineer, works supervisor and the District chairman, the paper is quoted as saying, the findings show that shs. 300,000,000 were lost in the district during 2000/2001 financial year, and shs. 1.9 billion in 2001/2002, and shs. 649,000,000 in 2002/2003 financial year, all this happens due to weak systems of internal control systems within the district local governments of Uganda.

Jerry, Weygand etal (1996), pointed out the weakness of internal control systems and that sometimes the costs of internal controls overrides the benefits realized from them, more so, the local government financial and accounting manual 2007, outlined the following as limitations of the internal control systems;

(a).The system may be abused by those with authority for exa mple; a manager responsible for authorizing a transaction may intentionally authorize a wrong transaction.

(b).In most cases it covers routine transaction non routine transactions are not normally covered.

(c).Staff may even collide internally or with outsiders to circumvent the control.

(d).Internal control systems may also fail to work especially as a result of human error, For example when a chairperson of the district signs a contract that he/she is not supposed to sign.

(e).Procedures of handling changes now and then in organization; this may therefore render internal control systems inadequate, especially if not updated regularly.

In the local government report on financial and accounting manual 2007, Maj. General Kahinde Otafire commented that, always it's a requirement that the cost of internal controls is less than the potential loss, which should a rise if the control is not put in place, hence some controls may not be implemented as may be too costly, for example segregation of duties in all the local governments of Uganda.

CHAPTER THREE

METHODOLOGY

3.0. Introduction

This chapter highlighted the research methodology. It dealt with the description of the methods that were used in carrying out the research. The study was organized under the following sub- sections; population sampling techniques, research design, research tools as instruments and data analysis.

3.1. Research design

The study was carried out using both qualitative and quantitative research designs. The qualitative research design was used to get detailed information from the diversity of multiple realities by use of methods like interviews and observations. Quantitative research design on the other hand was used such that some of the information could be put by the researcher in mathematical, numerical form or tabular form.

3.2. Study population sample

The sample population consisted of needs of different departments of Adjumani district local government, which specifically included Accounts and or Finance department, administration department, Human resource or personnel department, Education department, engineering department, among others. hence, the respondents have been accountants, cashiers and auditors, senior officers at all

management levels, office attendants and secretaries at all the department, and some employees and few non employees at the district local government headquarters. These altogether formed a study population sample of sixty (60) respondents out of one hundred and sixty (160) employees in all the departments in Adjumani district headquarters. The researcher further chose ten people, with a balance of five ladies and five gentlemen, these ten (10) individuals were not employees of the district local government offices. Therefore, the research was conducted using a total sample population of seventy (70) respondents.

The sixty (60) samples were divided into the following; two for the district services commission (personnel department), two for the education department, eight to the finance and accountants departments ten (10) secretaries from the different department, two to the district procurement and logistics department, eight (8) office attendants from the different department, four (4) to the engineering department, six (6) security guards, four (4) to the auditing section of the district.

3.3. The sampling techniques

There were three sampling techniques employed during the research, which included; quota sampling, multi-stage cluster sampling and purposive judgmental sampling.

I. Quota sampling

This was used to address issues of repetitiveness where the matrix that describes the characteristics of the largest population was used to determine the proportion of the population that was male and female, and for each sex the proportion that fell into the various education levels.

II. Multi- stage sampling

This sampling technique involved majorly two steps; listing and sampling of the study population; the list of the primary sampling units comprised of heads of departments, accountants in all the departments, departmental secretaries, departmental office attendants, engineering department, among others. The samples of those units were selected and then listed.

III. Purposive sampling

The researcher, in this case sampled the population basing on the researcher’s own knowledge of the population, its elements and the nature of the research designed, especially in the initial design with the questionnaires wished to select the particular respondents to test the broad applicability of the research questions designed.

3.4. Sampling procedures

A primary sample of thirty five employees had been chosen from the study population of Adjumani district local government to participate in the trial run of the research instruments in carrying out the investigation. Then a second sample of thirty five (35) respondents comprising of head departments, cashiers, accountants, senior officers in all the department, departmental secretaries, office attendants, all were sampled quarterly to prove the correct validity of the instruments.

3.5. Area of study

The research was conducted in Adjumani district, with Adjumani district local government.

The district was chosen by the researcher amongst all the other districts in Uganda, because the researcher is knowledgeable of some of the things that happens within the district local government, the researcher was also comfortable with the local language spoken by the people, and therefore was easier to interact freely and obtain data from the people easily from the different departments.

3.5.1. Data collection

The researcher used various data collection methods such as questionnaires, interviews, sampling and observation as the main techniques for the data collection. The collection by those techniques were guided by the data collected, the time available as well as the study to assess the impact of internal control systems on the performance of Adjumani district local government.

I. Observation.

In this case, the researcher used his eyes to observe what actually was happening on the grounds and took the records accordingly. The researcher also observed the activities of the respondents, books of accounts of the finance department, the systems of internal control employed and available at the study area. Here both passive observations and natural observations have been used.

II. Structured questionnaires.

In this method, the researcher administered general oral and printed questionnaires, so to obtain information on the impact of internal control systems on the performance of Adjumani district local government. The questionnaires were only advanced to the sampled population. The questionnaires helped the researcher to

collect data from respondents who did not have enough time to be interviewed. The respondents then filled in the answers at their appropriate time.

III. Interviews

The researcher carried out the interviews with the samples selected, for example the different departmental heads in the district local government offices, internal auditors, cashiers, accountants, among others. The researcher clearly stated the purposes of the study to the subjects and made assurance on matters of confidentiality. This method of data collection was preferred by the researcher because it gives time for him to make detailed clarification on the some of the questions, hence easy to prove the validity, reliability of the data collected.

3.5.2. Sources of data

The researcher employed two major sources of data collection to investigate the impact of internal control systems on the performance of Adjumani district local government. These sources included;

(a).Primary sources

In this case, the researcher involved in face to face contact with the respondents from whom he was investigating information pertaining to the topic of the study.

The researcher further, contacted the third parties (10 samples study population) who were capable of supplying necessary data about the impact of internal control systems on the performance of Adjumani district local government.

(b).Secondary sources

The researcher collected data from the previous reports on the study, internet, labialized books, brochures, reports on the performance of district local government of Adjumani in relation to internal control systems.

3.6. Data processing

The processing of data was done for verification of the data collected. The researcher identified from the interviews results the impact of internal control systems on the performance of the Adjumani district local government, and then wrote the preliminary version of the instruments.

The first draft of the instruments was pre-tested for the purpose of the items analyzed and the second draft had been written, and administered to the subjects where the research was carried upon, to ascertain the psychometric properties of the instruments and then wrote the normative data that was used in investigating raw scores, and the researcher then finally wrote a technical manual for the test.

3.7. Data analysis

The researcher used both qualitative and quantitative methods in the analysis of the findings.

I. Quantitative data analysis

The data was edited before and after learning from the respondents. The researcher checked for uniformity accuracy, consistency, legibility and comprehensibility. It has been coded and tabulated.

II. Qualitative data analysis

Before data collection, tentative themes and their concepts were identified. The data was analyzed during and after its collection. Before the data collection, tentative themes had been identified.

3.8. Ethical procedures

The researcher obtained an introductory letter from the University, school of business and management, and used the letter as a proof that he is a bonafide student of Kampala international university, which he presented to the office of the chief administrative officer (C.A.O), who then introduced him to the respective heads of departments, and then made appointments with the selected respondents. The researcher further explained in details to the respondents the purposes and benefits of the research carried out.

CHAPTER FOUR

INTERPRETATION, ANALYSIS AND DISCUSSION OF THE FINDINGS

4. O Introduction

This chapter presents data presentation, analysis and discussion of the findings. It mainly summarizes key issues from the theoretical and empirical literature, compares and contrasts findings systematically and possible relationships in the process of fulfilling the objectives of the study. The analysis has been done in accordance to the research objectives and variables under study. The variables under study have been internal control systems and performance. The researcher has employed various tools to analyze the data collected including but not limited to frequency distribution tables, simple bar graphs, pie charts and percentages. A simple descriptive analysis has also been given to enable easy understanding of the information given by various respondents.

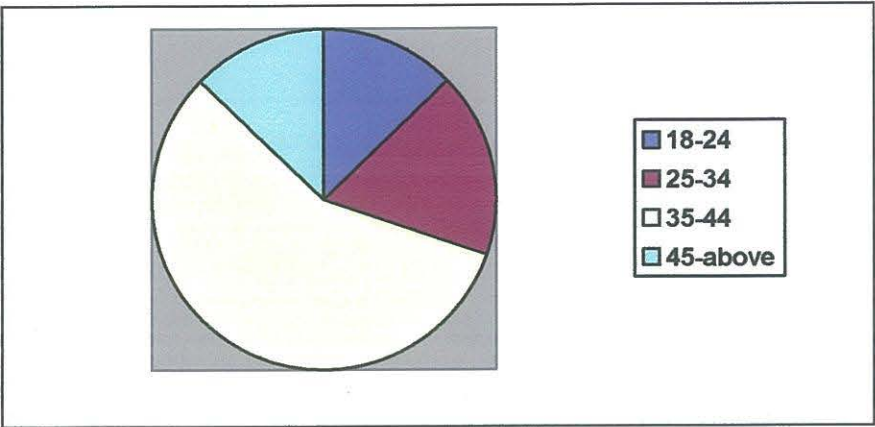
4.1 Background Information of the respondents

This section of the study sought to find out from the respondents about their age, sex, marital status, levels of education and their departments of work in the district headquarters.

4.1.1 Age of Respondents

This section sought to find out the age bracket of the respondents. The results of these findings are as presented in the figure one (1) below.

Figure 3: Pie chart showing Respondents' age



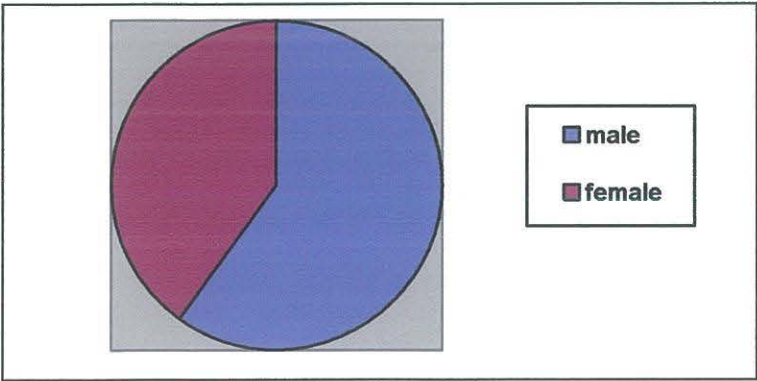
Source: primary data.

According to the data presented above, majority of the respondents are in the age brackets of 30 – 45, then followed by the respondents in the age bracket of 25 – 30, however the age bracket of 18 – 24 and 45 – above forms the majority age of the respondents.

4.1.2 Sex of the Respondents

This sub section was to find out the sex of the respondents. Therefore figure 2 (two) below shows the results.

Figure 2: Pie chart showing the sex of respondents



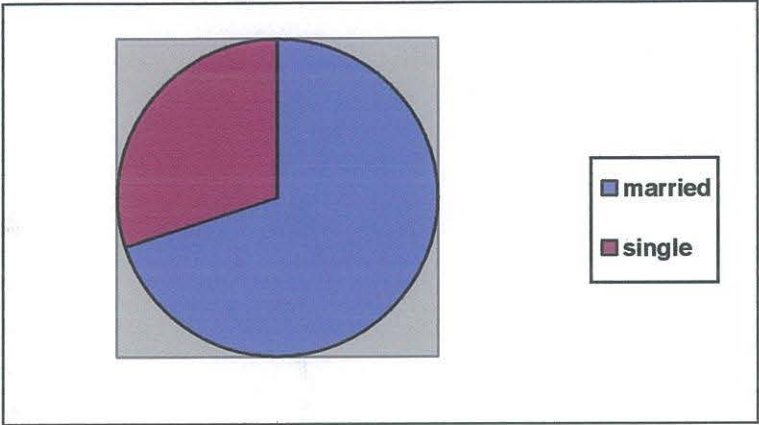
Source: primary data.

Therefore the above data presented shows that 60% of the respondents were male and 40% of the respondents were female.

4.1.3 Respondent’s marital status

This sub-section was to determine the marital status of the respondents. Therefore the pie chart below as figure three (3) shows the findings.

Figure 4: Pie chart showing the Respondents’ marital status



Source: primary data.

According to the research as presented in the chart above, 70% of the respondents are married and 30% of the respondents are still single.

4.1.4 Level of Education of the respondents

This was meant to find out the levels of education of all the respondents, be it whether an employee at the district headquarters or not. The findings are presented in the table 1 (one) below;

Table 3: Showing the Level of Education of the Respondents

Level of education	Frequency	Percentage
Certificates	10	15%
Diploma	25	35%
Degree	20	28%
Master Degree	10	15%
PhD	5	7%
Total	70	100%

Source: primary data

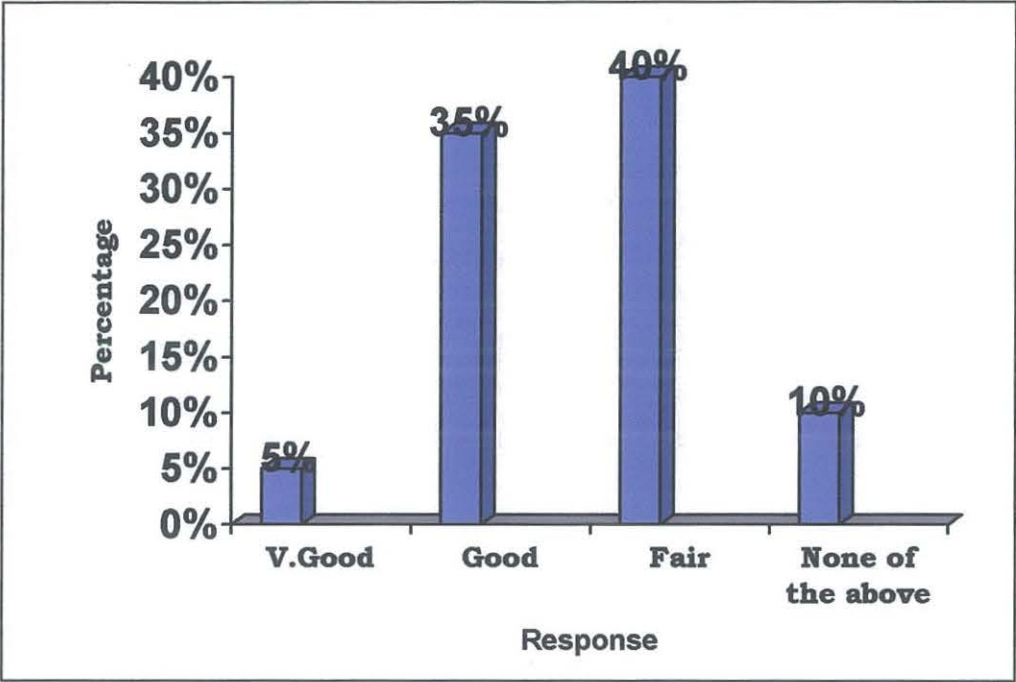
The ascertainment of the level of education of the respondents was necessary; to enable the researcher know the knowledge and experience distribution among the respondents.

Therefore according to the table, respondents with diploma are highest with 35%; while those with degrees are represented by 28%, masters degree and certificate holders both represented by 15%, while PhD holders formed the minority with 7%.

4.2 To find the comments of the respondents on the internal control systems used by Adjumani district local government.

This was covered to find out the opinion of the respondents on the internal control systems employed by Adjumani District local Government. The results are presented in the figure below;

Figure 4: Graph showing system of internal controls used by Adjumani District Local Government



Source: primary data.

From the above, the researcher found out that majority of respondents 40% have commented fair for the systems of internal controls employed by Adjumani district local government; 35% say it is good, 10% of the respondents gave no ideas while minority 5% commented it is very good.

4.3 To find out the relationships between internal control systems and performance of Adjumani District local government.

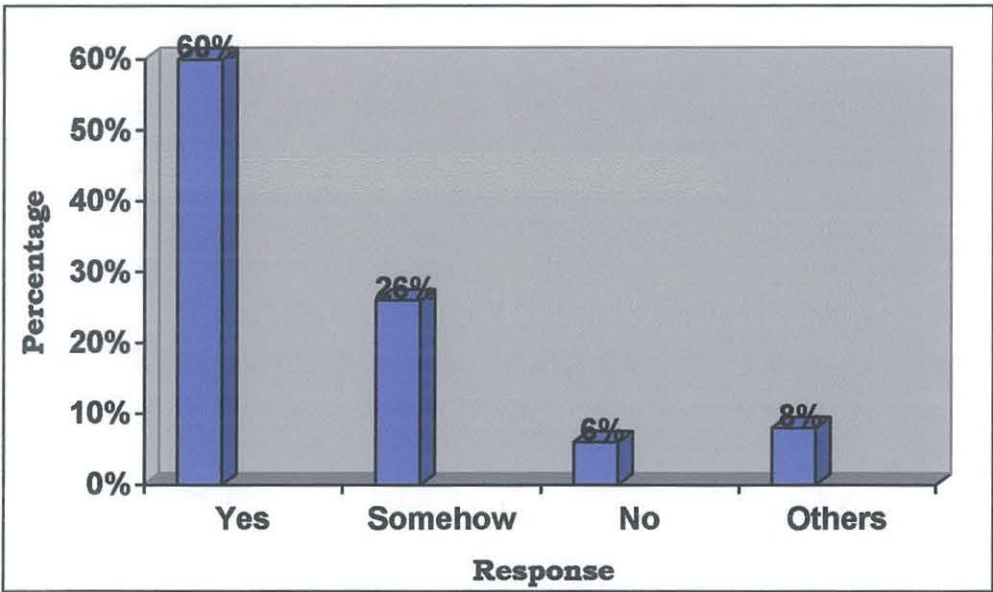
This sub-section was to find out the opinion of the respondents whether in their own judgment there is a relationship between internal control systems and performance of Adjumani district local government. Below are summarized results of the findings;

Table 4: showing the Relationship between internal control systems and Performance

Opinion of respondents	Frequency	Percentage
Yes	42	60%
Somehow	18	26%
No	4	6%
Others (do not know)	6	8%
Total	70	100%

Source: primary data

Figure 5: Graph showing the Relationship between Internal Control systems and performance of Adjumani local government



Source: Field Survey

From the above analysis, the researcher found out that the majority of the respondents (60%) have accepted that there exists a relationship between internal control systems and performance of Adjumani district local government while 26% of the respondents remained in balance because they are not so much sure, 60% of the

respondents disagreed that there is no any relationship between internal controls and performance; while 8% or the others do not know either.

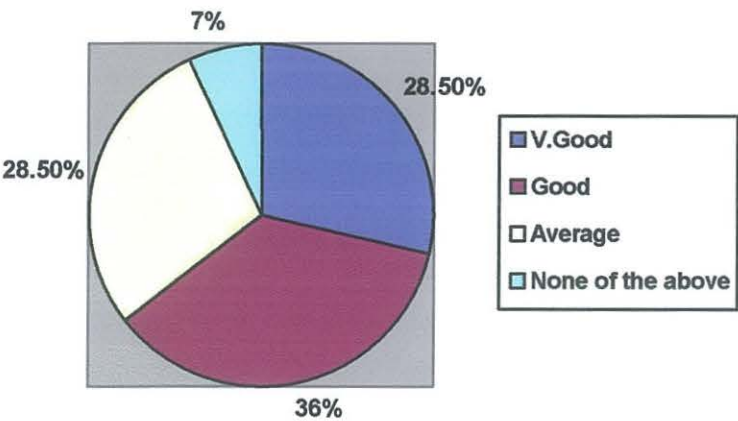
4.4 How to determine the efficiency of the internal control systems used in Adjumani district local government headquarters

This was aimed to find out how the respondents would rate the systems used in Adjumani district local government headquarters. Below are the findings;

Table 3: showing how the efficiency of the internal control systems of Adjumani district local government is determined.

Opinion of the respondents	Frequency	Percentage
V.Good	20	28.5%
Good	25	36%
Average	20	28.5%
None of the above	5	7%
Total	70	100%

Figure 6: Pie chart showing determination of the efficiency of the internal control systems



The findings show that the majority 36% of the respondents commented that the system of internal control is good while 28.5% commented both very good and average and 7% do not at all know about it.

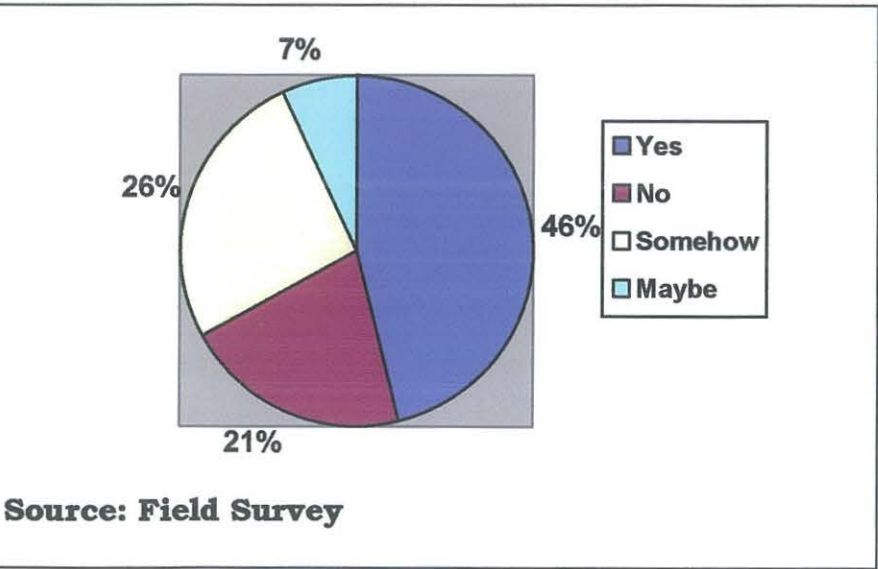
4.5 To find out if internal control systems affects performance

This sub-section sought to investigate if internal control systems affect performance of the employees in the district headquarters. The results are represented as below;

Table 4: showing the Impact of Internal control systems on performance of district local governments.

Opinion of the respondents	Frequency	Percentage
Yes	32	46%
No	15	21%
Somehow	18	26%
Maybe	5	7%
Total	70	100%

Figure 7: Pie chart showing if internal control systems affect performance

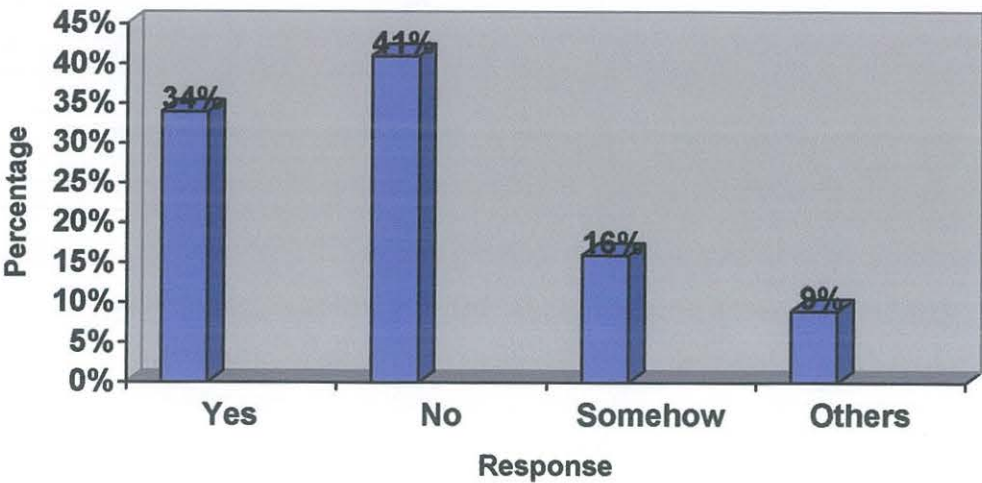


According to the findings from the respondents, 46% said that internal control systems affect the performance of the employees in the Adjumani district local government headquarters for example misuse of the assets of the district, misappropriation of funds, among others as pointed out by the majority of the respondents, while 21% replied that the internal control systems do not affect performance and 26% said that they value it 50 – 50 as sometimes it is difficult for them to see that internal control systems are working the ground (weaknesses in the internal control systems), while 7% of the respondents are not sure about it.

4.6 To find out if the employees easily cope up with the use of the internal control systems well

This was carried out to ascertain from the employees of Adjumani district local government headquarters if they easily cope up with use the internal control systems that the chief administrative officer and the chief financial officer put in place in order to avoid misuse, abuse and even misappropriation of the funds that belongs to the government below are the results of the findings.

Figure 8: showing whether employees easily cope up with the use of internal control systems.



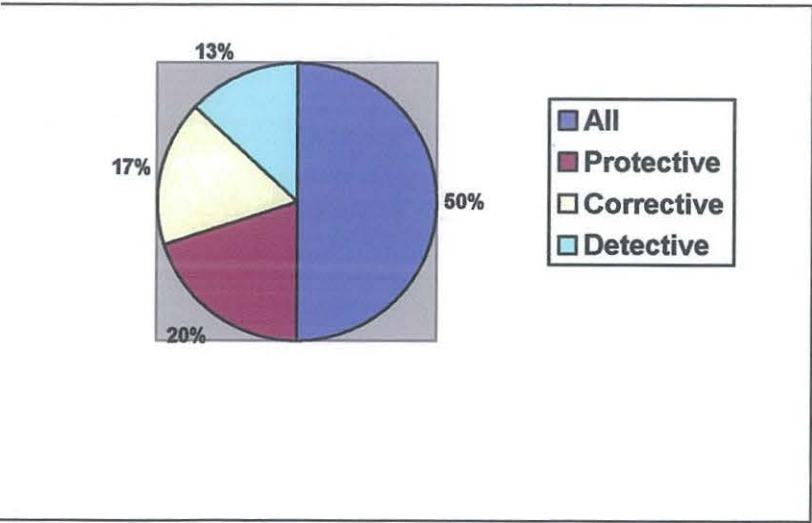
Source: Field Survey

According to the results obtained above, 34% of the respondents agreed that the employees do cope up with the use of internal control systems put in place by the district administration, 41% majority disagreed and stated that the implementation is poor and most employees do not understand it; 16% of them commented somehow because sometimes according to them, they do not feel that there is control system working or guarding their activities, while 9% do not know about it.

4.7 To find out the forms of internal control systems used by Adjumani district local government

This sub-section was meant to find out the forms of the internal control systems used by Adjumani district local government. The below are the findings.

Figure 9: Pie chart showing the forms of internal control systems used by Adjumani district local government



Source: Field Data

The findings as represented in the chart above, the majority 50% of the respondents says that Adjumani district local government uses all forms of the internal control systems; 20% said it's the protective, 17% commented corrective and the majority 13% said it is detective control system used.

4.8 To find out how the various forms of the internal control systems work in Adjumani district local government

This part specifically was to find how the various forms of internal control systems work in Adjumani district local government. The below are the explanations given by the various respondents, and the similar reasons have been combined as below;

- a) **Detective controls;** that is a control that detects if any error has been committed. These could be exception types of reports that reveal that controls have been circumvented. For example, large amounts of money paid without authorization. In this case, detective controls are used to detect such kind of misappropriation of funds; for example reconciliation, suspension and internal checks.
- b) **Protective controls;** according to their comprehensive opinions, these are controls that prevent risks from occurring. For example Adjumani district local government uses authorization control that are used to prevent fraudulent or enormous transactions from taking place, the district also uses other preventive controls like; segregation of duties, recruiting and training the right staff and also putting in effective control culture.
- c) **Corrective controls;** these are controls that address any problem that have occurred; where problems are identified, these controls will ensure that the problems are properly rectified. For example; according to the majority of the respondents said, the district local government uses follow up procedures and management action to put right the wrong.

4.9 To find out the principles used by Adjumani district local government that governs the proper functioning of the internal control systems

The below are the findings from the respondents on the guiding principles used by Adjumani district local government to govern its internal control systems;

Establishment of responsibility; this is a system where one person is responsible for a given task. Establishing responsibility includes authorization and approval of transactions. For example in Adjumani district local government stores department, one who keeps the keys to the store room is different from the one who keeps the records of the stores.

Segregation of duty; this is meant to ensure that no single person finishes up a process of ordering, making transactions and receiving the goods alone, but at every stage different individuals perform the tasks, this is done so as to avoid the potential of errors and irregularities. So, according to the respondents on this point, the district local government also ensures that for example in the procurement and asset disposal unit, ordering merchandise, receiving the goods and paying, even disposal of assets and receiving of the cash, are all done by different individuals.

Performance of both internal audits and external audits; these are independent reviews done by auditors. The district local government has internal audit department who also independently check on the financial statements and operation of all the government projects within the district, hence detecting errors at every stage. There is also external audits carried out by the central government authorities, they review the financial statements of all the government programs in the district and give their independent opinions, and also advise where necessary improvements are to be done; hence avoiding bigger errors that may arise.

4.10 To find out the limitations encountered by Adjumani district local government as a result of the implementation of the internal control systems.

This was carried out to find the limitations or hindrances encountered by Adjumani

district local government as a result of the implementation of internal control systems. Below are the opinions of the respondents collectively;

Expensive; the system is so expensive to be run effectively, for example segregation of duty that needs many employees, computer equipments all which are costly.

Unclear policies; the systems implementation is hindered by under management policies, hence some employees override the policies put down for example, that all government vehicles are to be parked at 6:00 Pm; unless otherwise, but you still see government vehicles used beyond the stated time.

Uncooperative management; the uncooperative nature of the administration is another hindrance to the effective implementation of the internal control systems for example between the elected council and the district administration.

To some extent the quality of the staff in the auditing department is also one of the hindrances as some have low levels of academic qualification.

Political influence also poses another limitation to the effective implementation of internal control systems in Adjumani district local government.

4.11 To find out if management has come up with solutions to solve the problems it encountered as a result of implementation of internal control systems.

In the interview process, more resources so as to make it easy to implement the internal systems, for example employing human resource to effect the systems operation.

Training of the existing staff especially, on computer operations so that it becomes easy to effect the controls using the computer information technology.

Forging cooperation between all the departments in the district headquarters, so that each department head is responsible to more effectively put the control systems in place.

Strengthening the policies put down as regards internal controls, so that it applies uniformly to everybody, unless authorized by the concerned officer.

The district administration also in their meeting with all the department heads and the district council members, resolved that, there should be a clear boundary between issues of development and policies, hence dealt with the problem of political influence onto the implementation of internal control systems.

4.12 To find out the view of the respondents not employed at Adjumani district local government headquarters

A questionnaire was further designed and particularly meant for people who are not employed at the district headquarters. Below are the questions asked and the responses of it was basically done to find if those non employees would give different views from those employed at the district headquarters in brief;

4.12.1 To find out the opinions of the respondents on the services delivery and performance of Adjumani district local government

The opinions of the respondents in this case have been compiled together to represent the views of the majority in either support or opposition of the questions raised and below are the results;

Majority of the respondents, commented that the district do perform the services it is meant to offer the people, as the government to the local people; but sometimes certain things are not easy to understand, for example occurrence of funds, misappropriation and embezzlement of money that is supposed to be used to deliver services to the local people.

4.12.2 To find out views of the respondents to the contribution of internal control systems to the above given comment (4.12.1)

According to the majority view, internal control systems do exist to certain extent, but the loopholes are very many that is why there still exist problems of funds misappropriation, fraud and embezzlement.

4.12.3 To find out from the respondents how internal control systems can be used to improve efficiency and effectiveness of service delivery by Adjumani district local government to the people

The following are the opinions given by the majority of the respondents;

According to the majority, internal control systems can be used to improve the efficiency and effectiveness of service delivery in a way that, when people are made to work in a controlled environment, everything would be working in the way expected; it can help to reduce fraud, misuse of public funds, among others, hence the funds allocated are then used accordingly.

4.12.4 To find out the problems hindering the better performance of internal control systems in Adjumani district local government.

The following are the views of the respondents interviewed, as most considered are the views of the majority.

Poor implementation of the internal control systems with weak underlying policies, which are not critically followed.

Political influence; where many things are done due to influence of the political systems, leaving issues of development behind.

Uncooperative administration of the district local government, hence posing weakness to the effective performance of the internal control system. Among others were the views given by the majority of the respondents.

4.12.5 To find out the steps that should be taken to achieve efficient and effective use of internal control systems in Adjumani district local government.

The majority of the respondents gave their views and compiled as below;

Setting down clear policy procedures that are to be followed in the process of implementation of the system.

Cooperation should be fostered in the district administration and other departments, to make it easy to work hand in hand with the rest of the departments.

The district should put down resources additionally that could be used to put in place all the necessary equipments needed for effective implementation of internal control system.

Training of the staff to cope up with the changing technological environment that may be necessary for its effective implementation.

CHAPTER FIVE

SUMMARY OF THE FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

This chapter covers the summary of findings of the research carried out, conclusion and recommendation for further future research.

5.1 Summary of the Findings

This study investigated the impact of internal control systems on the performance of local government of Uganda. The study was carried out in Adjumani district and Adjumani district local government in particular, a West Nile district of northern Uganda.

Chapter one comprises of the background information, statement of the problem, purpose of the study, specific objectives of the study, research questions, scope of the study, significance and the conceptual frame work. This information was paramount in providing the introductory part to the problem under study.

Chapter two concentrated ad emphasized more on related literature by different scholars and used it as a base to equip the researcher with more knowledge on the problem under study.

Chapter three consists of the research methodology used in carrying out the research; for example both qualitative and quantitative research designs have been used. The researcher sampled seventy (70) respondents.

The researcher used frequency distribution tables, percentages, pie charts and bar graphs to present and analyze the findings. The researcher has chosen the site due to his proximity and familiarity with the local people.

Therefore, the discussions of the findings were presented in accordance with the research objectives of the study as below;

5.1.1 To find out the relationship between internal control systems and performance of Adjumani district local government

The first objective was to find out the relationship between internal control systems and performance of Adjumani district local government, and according to the study the majority 60% of the respondents accepted that there exists a relationship between internal controls and performance and reasoned out that, if there is internal control put in place and people work in a controlled environment, it will result into better delivery of services, avoids fraud and embezzlement of public funds, results into proper accountability of the funds given to support projects in the district, which altogether are very paramount for efficient and effective performance and public service delivery, however 26% of the respondents said somehow and reasoned that there are a lot of loopholes within the control systems implemented by the district local government, the majority 6% of the respondents disagreed and said that there is no relationship between internal controls and performance of the district, based on their reasoning that they feel that they only have a responsibility of doing what they ought to do, because no penalty is put even after non compliance to their responsibilities, and 8% of the respondents were ignorant about it so they said, “the so called internal control systems”

5.1.2 To investigate the impact of internal control systems on the performance of Adjumani district local government

The second objective was to investigate the impact of internal control systems on the performance of Adjumani district local government, whereby the majority 46% said that internal control systems has direct impact on the performance of the district and pointed out the problems of misuse of public assets like vehicles, motorcycles, misappropriation of public funds, failure to account for government grants to the districts, all this arose due to the weaknesses within the internal control systems otherwise if the systems are well established, then such problems would never exist,

26% of the respondents then said somehow internal controls impact onto performance of the district, while 21% argued that internal control systems do not in any way impact onto performance and gave reasons that, although the systems are put in place there is misappropriation of funds, civil servants misuse the vehicles and motorcycles for their private missions even beyond the stated working hours, and however 7% of them were not sure of whether internal controls impact on performance or not.

5.1.3 To identify the different forms (types) of internal control systems used in Adjumani district local government

This was the third objective, and according to the information from the field there are three forms of internal control systems which include; protective controls, corrective controls and detective controls. The majority 50% of the respondents said that all the above control systems are available and used by the district local government, 20% said that it is the protective control being used, 17% supported that corrective control systems are the ones used most, however 13% minority said that detective control is the one being used most. These are the research findings show that the majority supported that all the control systems have been put in place, then that means all the forms of the control systems have been put in place and are working.

However, the questionnaires have been extended further to the limitations as regards implementation of the internal control systems and the opinions of the respondents as to the solutions to such problems. This was done to help the district local government especially Adjumani district to use such solutions in the course of implementation of efficient and effective control systems.

5.2 Conclusions

The conclusions of the study are also presented in accordance to the research questions.

The first research question was, “what is the relationship between internal control systems and performance of Adjumani district local government?” based on this, it was found that internal control systems is the most efficient and effective way to put in place, in order to get rid of fraudulent occurrences in organizations, among other benefits that it can offer when put in place.

The second research question was, “what are the impacts of internal control systems in the performance of Adjumani district local government?” the study also revealed that when internal control systems are well established in a place, it will result into reduction or completely may eliminate problems fraud and embezzlement, improves accountability; results into good record keeping, good care and maintenance of assets that belongs to an organization and that without establishment of the control systems it will always remain a dream but not a reality that one time organizations will find lasting solutions to all such problems.

The third research question was, “what are the different forms of internal control systems used in Adjumani district local government?” according to the study, there are mainly three types of internal control systems, which includes; protective, detective and corrective, but according to the study and the opinion of the respondents, organizations need to put in place all the three forms (types) of internal control systems so as to have efficient and effective implementation of the internal control systems in an organization.

5.3 Recommendations

According to the findings and conclusion of the study, the researcher found it necessary that the following recommendations be of paramount importance.

The administration especially the top management level must support the implementation of the internal control systems and should always be exemplary to the rest of the employees and must advocate for collective responsibility to all the

heads of departments so that there shall be no mismanagement of the resources and assets of the organization.

Effective implementation should be followed by strict policies that must be applied uniformly to all the classes of employees unless permitted for official duty.

Employees have to be well informed on the policies brought for effective controls and those handling the technical part must be trained to have the basic knowledge on the operation of some of the systems for example computer appliances.

There must be timely accountability and auditing of the accounting staff by the auditing department for the funded projects.

Politicians and civil servants in Adjumani district must stop politicizing government development programme for example of recent there is stiff misunderstanding between the resident district commissioner and the district lc5 chairman, as well the chief finance officer is also involved.

5.4 Areas for further research

Despite all the efforts made by the researchers, he cannot claim that he was 100% accurately exhaustively tackled all the problem areas, hence bringing in area requiring further research in future.

In the first place, this study mainly focused on the impacts of internal control systems on performance of Adjumani district local government.

It was however evidently discovered that, its not only internal control systems implementation that makes better the performance of Adjumani district local government, but other factors like training of employees, recruitment of the right staff with right qualification and skills, political influences, corruption, among others were all cited to be affecting effective performance of Adjumani district local government. So a very comprehensive research therefore that will focus on a wide range of factors

as opposed to only one factor (performance and internal controls) might be required to get an accurate gist of the various factors affecting performance or delivery of services by Adjumani district local government.

Adjumani district local government is a large district composed of very many sub-counties (six) and even many workers, but you find that this study was focused only on the district headquarters with the respective departments, meaning that a research based in other remaining sub-counties is still open for researchers even when using the exact similar variables that the researcher used in the study.

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APPENDINCES

APPENDIX I: TIME FRAME.

Time period	Activity
January-February	Proposal writing
March	Data collection
April	Handling of the final
May	Research dissertation

APPENDIX II: BUDGET FRAME.

Activity	Amount (shs).
Transport	100,000
Questionnaire administration	80,000
Typing and printing	90,000
Stationary	45,000
Miscellaneous	80,000
Total	395,000.

APPENDIX III
QUESTIONNAIRE

Dear respondent,

As a student of Kampala international university undergoing a study in bachelor of business administration, am carrying out a research on the topic; the impacts of internal control systems on the performance of Adjumani district local government.

The purpose of the study is to gather data on the impacts of internal control systems on the performance of Adjumani district local government.

Your response will be treated with utmost confidentiality and the information gathered is typically for academic purpose only, so please feel free to provide the necessary information.

Questionnaire to the District Civil servants

Personal data.

Please tick the most appropriate box and fill in the blank spaces where applicable.

1. Age

[a] 18-24	<input type="checkbox"/>	[c] 30-45	<input type="checkbox"/>
[b] 25-30	<input type="checkbox"/>	[d] 45-and above	<input type="checkbox"/>

2. Sex

[A] Male	<input type="checkbox"/>	[b] female	<input type="checkbox"/>
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3. Marital status

[a]. Married	<input type="checkbox"/>	[b]. Single	<input type="checkbox"/>
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4. Level of education

[a] Certificate	<input type="checkbox"/>	[c]] Degree	<input type="checkbox"/>
[b] Diploma	<input type="checkbox"/>	[d] Masters	<input type="checkbox"/>

5. Department

- [a] administration
- [c] education
- [b] Accounts
- [d] engine
- [e]Others

[specify].....
.....
.....

RESEARCH QUESTION ONE

6. How do you comment on the internal control systems used in Adjumani district local government?

- [a]. V. Good
- [c]. Fair
- [b]. Good
- [d]. None of the above

7. Do you find any relationship between internal control systems and performance of Adjumani district local government?

- [a]. Yes
- [c]. Some how
- [b]. No
- [d].Others

[specify].....
.....

8. How do you determine the efficiency of the internal control systems used in Adjumani district local government?

- [a]. V. Good
- [c]. Average
- [c]. Good
- [d]. None of the above

RESEARCH QUESTION TWO

9. Do the internal control systems affect performance?

[a] Yes	<input type="text"/>	[c] Some how	<input type="text"/>
[b] No	<input type="text"/>	[d] May be	<input type="text"/>

10. Do the employees cope up with the use of internal control systems well?

[a] Yes	<input type="text"/>	[c] som	<input type="text"/>
[b] No	<input type="text"/>	[d] others [specify].....	

RESEARCH QUESTION THREE

11. Which of the following internal control systems are used by Adjumani district local government?

[a] Detective	<input type="text"/>	[c] Corrective	<input type="text"/>
[c] Protective	<input type="text"/>	[d] All	<input type="text"/>

12. How do the above mentioned forms of control systems work in Adjumani district local government? Give your opinion

[a].Detective.....
.....
[b].Protective.....
.....
...
[c].Corrective.....
.....

13. What principles are there that governs the proper functioning of internal control systems in Adjumani district local government in question 12 above?.....
.....
.....

14. What are the limitations encountered by Adjumani district local government as a result of the implementation of the internal control systems? Give your opinion.....
.....
.....

15. Has the management come up with solutions to solve the above mentions problem/limitations? If yes, Explain.....
.....
.....

Thanks for your contribution

Questionnaire for respondents not employed by the district localgovernmmnet headquarters

A questionnaire for respondents who do not work in Adjumani district local government headquarters.

- 1. Name of the respondent.....
- 2. Occupation.....
- 3. Sex.....
- 4. Level of education.....
- 5. Age.....

3. Give your opinion on the services delivery and performance of Adjumani district local government.....

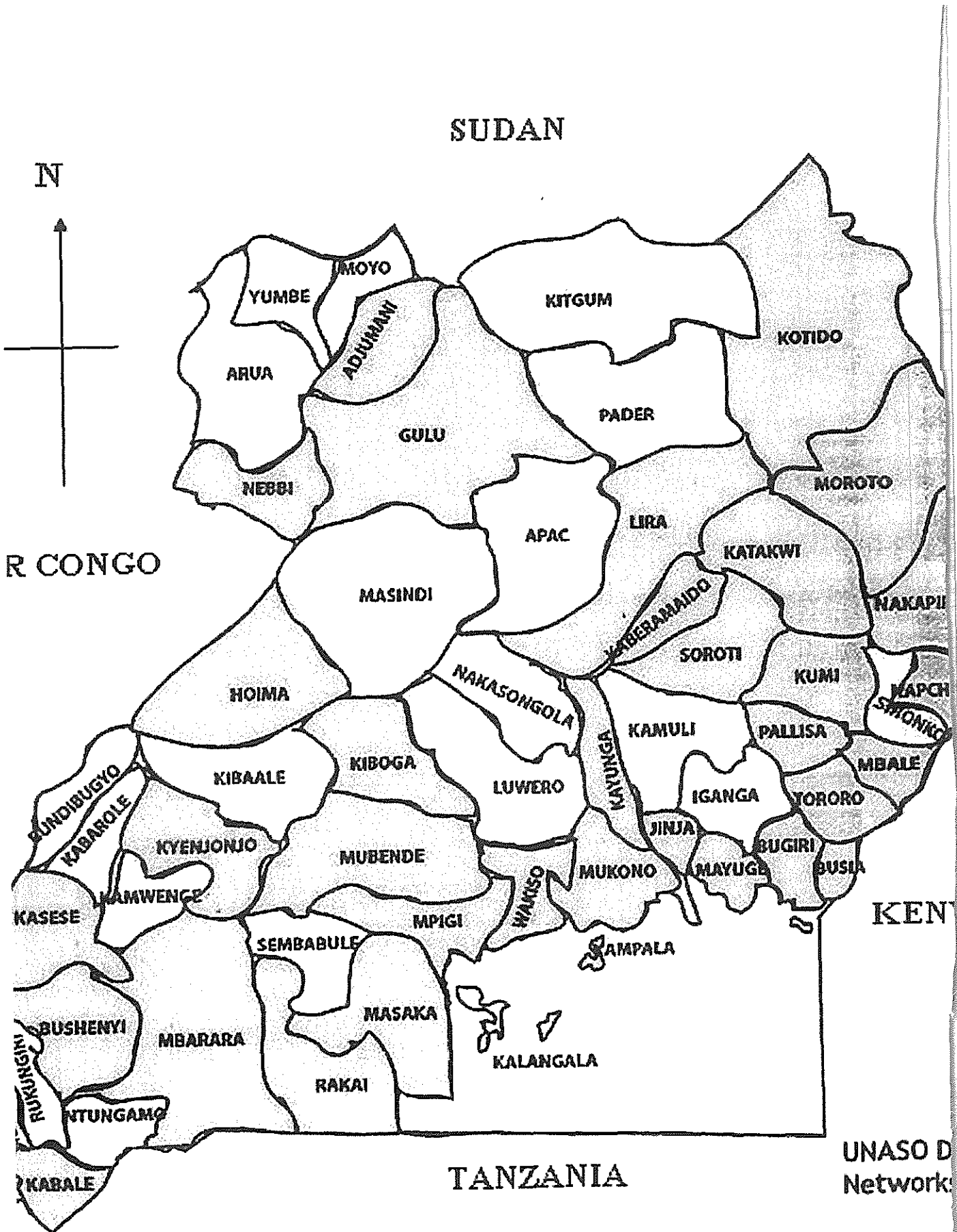
4. What according to you is the contribution of internal systems to the comment that you have given in question 3 above?

5. How do you think that internal control systems can be used to improve efficiency and effectiveness of services delivery by Adjumani district local government to the people?

6. In your own words, what do you think are the problems hindering the better performance of internal control systems in Adjumani district local government?

7. What steps do you think should be taken so as to achieve efficient and effective use of internal control systems in Adjumani district local government?

THANKS FOR YOUR CONTRIBUTION





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OFFICE OF THE H.O.D FINANCE AND ACCOUNTING.
SCHOOL OF BUSINESS AND MANAGEMENT

Date: 03/02/2010

To:

THE CHIEF
ADMINISTRATIVE OFFICER,
AJUMASI DISTRICT
LOCAL GOVERNMENT.

Dear Sir/Madam

RE: DHAMA CHARLES WILSON REG. NO: BBA116729/71/AN.

This is to certify that the above mentioned is a bonafide student of Kampala International University at the School of Management, he/she is pursuing a Three years, Six semester Programme in Bachelors of BUSINESS ADMINISTRATION: and she/he is in 3RD year 2ND semester.

He/she wishes to carry out research

on THE IMPACTS OF INTERNAL CONTROL SYSTEMS
ON THE PERFORMANCE OF AJUMASI DISTRICT
LOCAL GOVERNMENT.

Any assistance extended to him/her will be highly appreciated.

Thank you,

Yours sincerely,

Mr. OMARA THAMPSON

H.O.D

FINANCE AND ACCOUNTING