



BOARD GOVERNANCE, INTERNAL AUDIT PRACTICES AND FRAUD PREVENTION OF STATUTORY CORPORATIONS IN UGANDA

ABSTRACT

The purpose of the study was to establish the relationship between Board governance, internal audit practices and fraud prevention of statutory corporations in Uganda. The study adopted a cross sectional and quantitative survey design. Correlational and regression designs were adopted to explain the relationships between the variables of study and the extent to which the independent variables explain the dependent variable. The study targeted a sample of 80 statutory corporations. However, the usable questionnaires consisted of 78 statutory corporations undertaken in Kampala district giving a response rate of 98%. The data was tested for reliability, analyzed using SPSS and results presented based on the study objectives.

The results from the study revealed that there is a positive and significant relationship between Board governance, internal audit practice and fraud prevention. Nevertheless, Board governance and internal audit practices were found to be a significant predictor of fraud prevention. The results also indicate that both Board governance and Internal audit practices account for 36.1% variation in fraud prevention (Adjusted R Square = .361) and in the same vein both independent variables were seemingly predictors of fraud prevention.

This implies that internal audit practices serves as an important link in an organization and financial reporting processes of corporations and Government service providers. Internal auditing is to improve organizational efficiency and effectiveness through prevention of scam. Improved governance of statutory corporations benefits a wide range of stakeholders.

The study therefore recommends the need for internal Audit staffs to maintain effective, efficient and transparent practices and to monitor and review the effectiveness of the company's internal audit function; to review and monitor the internal audit function's independence and objectivity and the effectiveness of the internal audit process, taking into consideration relevant professional standards. Effective monitoring of management and accountability of a board. Establishing a board of directors that has clear responsibilities