



## **INTERNAL CONTROL SYSTEMS, FINANCIAL ACCOUNTABILITY AND PERFORMANCE OF NGOs IN UGANDA**

### **ABSTRACT**

The study sought to establish the relationship between Internal control Systems, financial Accountability and performance of Non-Governmental Organisations in Uganda.

The study adopted a cross-sectional research design based on the quantitative approach focusing on descriptive and inferential statistics. A sample size of 80 NGOs was obtained using a sample guide for sample decisions by Krejcie and Morgan (1970). Simple random sampling was used to select the NGOs that were studied. Furthermore the study targeted respondents from the Administrative / Finance departments of the NGOs who are involved in enforcement of internal control systems and the financial accountability of the NGOs and these included internal auditors or financial controllers or managers. The unit of analysis was the NGO. The data was tested for reliability and validity, analyzed using SPSS and results presented based on the study objectives.

The results revealed positive and significant relationships between Internal Control systems and financial accountability, financial accountability and Organizational performance, internal control systems and organizational control which implies an improvement in one variable leads

to improvement of the other. It was however noted that Internal Control systems was a better predictor of the Organizational Performance of NGOs in Uganda as compared with financial accountability. Therefore emphasis should be put on improvement of Internal Control Systems and lesser emphasis on financial accountability as ICS is a better predictor of performance of NGOs.

The Researcher therefore recommends that NGOS should emphasize effective internal control systems to achieve the desired levels of performance in an organization. Improvement in internal control systems in NGOs ensures sound financial accountability and also improves service quality and value for money which leads to the attainment of set goals.