



CORPORATE GOVERNANCE IN PRIDE MICROFINANCE UGANDA

ABSTRACT

The study set out to examine the Corporate Governance mechanisms, challenges to Corporate Governance and the possible solutions to the challenges of Corporate Governance in Pride Microfinance Uganda. The study adopted a cross sectional quantitative design on a population of board members and top managers of Pride Microfinance Uganda limited. Data was collected using a questionnaire and was analyzed using mean and standard deviation technique.

The study found that there were significant gaps in the board characteristics as the board was inadequate in number. The board was also constrained in performing its oversight responsibilities. However, there was a reasonable level of compliance to the corporate disclosure and transparency principle of corporate governance by publishing of audited financial and non-financial information to the stakeholders. It was found that regulatory factors of unclear legal status, weak monitoring by the regulator, failure to implement internal audit report and lack of expertise in integrated financial reporting constrained corporate governance in Pride microfinance. Corporate governance in Pride microfinance was constrained by role conflict manifested in failure to separate board and management roles in pride's constitution as well as inadequate board empowerment to control management actions. The study recommends that to enhance corporate governance in Pride microfinance, the shareholders and board executive should hire a consultant to undertake a board analysis with a view of undertaking an institutional development providing for an adequate board size, skills balance, experience and gender balance. The above should be complemented with instituting a board manual, performance targets, training and periodic board performance evaluation based on a board assessment tool. The board should adopt a risk management based framework by providing a risk appetite, identification, assessment and monitoring of enterprise risk.

