



**INTERNAL CONTROLS AND PERFORMANCE OF INTERNATIONAL
NON-GOVERNMENTAL ORGANISATIONS IN UGANDA:
A CASE OF THE DANISH REFUGEE COUNCIL IN UGANDA**

BY

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**A DISSERTATION SUBMITTED TO THE SCHOOL OF MANAGEMENT SCIENCE
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DECLARATION

I, Becky Aitaru, do hereby declare that this dissertation is my original and where any work has been used, it has been dully acknowledged. I also declare that this work has never been submitted to any Institution of Higher Learning for any academic award before.

Signature:

Date:

APPROVAL

This study was conducted under our supervision and the dissertation has been submitted for examination with our approval as the candidate's supervisor.

Sign:

Date:.....

Dr. Michael Kiwanuka

Sign:.....

Date:.....

Mr. Christopher Mayanja

DEDICATION

I dedicate this dissertation to my beloved husband Fred Andema who stood by me and provided me support and encouragement throughout this study. This work is also dedicated to my dear Children: Israel Amani Andema and Raphael Isaiah Andema for their high sense of patience and understanding during the period when I was absent from them during the course of this study even when they wanted my physical presence most.

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TABLE OF CONTENTS

DECLARATION.....	i
APPROVAL	ii
DEDICATION.....	iii
ACKNOWLEDGEMENT.....	iv
TABLE OF CONTENTS	v
LIST OF TABLES	x
LIST OF FIGURES	xi
LIST OF ACRONYMS	xii
ABSTRACT.....	xiii
CHAPTER ONE	Error! Bookmark not defined.
INTRODUCTION.....	Error! Bookmark not defined.
1.1 Introduction.....	Error! Bookmark not defined.
1.2 Background of the study	Error! Bookmark not defined.
1.2.1 Historical Background.....	Error! Bookmark not defined.
1.2.2 Theoretical Background	Error! Bookmark not defined.
1.2.3 Conceptual Background	Error! Bookmark not defined.
1.2.4 Contextual Background.....	Error! Bookmark not defined.
1.3 Problem Statement.....	Error! Bookmark not defined.
1.4 Purpose of the study.....	Error! Bookmark not defined.
1.5 Objectives of the study.....	Error! Bookmark not defined.
1.6 Research Questions.....	Error! Bookmark not defined.
1.7 Research Hypotheses	Error! Bookmark not defined.
1.8 Conceptual Framework.....	Error! Bookmark not defined.
1.9 Significance of the study.....	Error! Bookmark not defined.
1.10 Scope of the Study	Error! Bookmark not defined.

1.10.1	Content Scope	Error! Bookmark not defined.
1.10.2	Geographical (area) Scope	Error! Bookmark not defined.
1.10.3	Time Scope.....	Error! Bookmark not defined.
1.11	Justification	Error! Bookmark not defined.
1.12	Operational Definitions of Terms:	Error! Bookmark not defined.
CHAPTER TWO		Error! Bookmark not defined.
LITERATURE REVIEW		Error! Bookmark not defined.
2.1	Introduction.....	Error! Bookmark not defined.
2.2	Theoretical Literature Review	Error! Bookmark not defined.
2.3	Related Review	Error! Bookmark not defined.
2.3.1	Control Environment and organizational performance	Error! Bookmark not defined.
2.3.2	Control Activities and organizational performance ..	Error! Bookmark not defined.
2.3.3	Information and Communication on Organizational Performance	Error! Bookmark not defined.
defined.		
3.4	Summary of Literature Review.....	Error! Bookmark not defined.
CHAPTER THREE		Error! Bookmark not defined.
METHODOLOGY		Error! Bookmark not defined.
3.1	Introduction.....	Error! Bookmark not defined.
3.2	Research Design.....	Error! Bookmark not defined.
3.3	Population of the study	Error! Bookmark not defined.
3.4	Sample size and Selection.....	Error! Bookmark not defined.
3.5	Sampling Techniques and Procedures	Error! Bookmark not defined.
3.6	Data Collection Methods	Error! Bookmark not defined.
3.6.1	Face to Face Interviews.....	Error! Bookmark not defined.
3.6.2	Questionnaire Survey	Error! Bookmark not defined.
3.6.3	Documentary Review.....	Error! Bookmark not defined.

3.7	Data Collection Instruments	Error! Bookmark not defined.
3.7.1	Interview guide.....	Error! Bookmark not defined.
3.7.2	Questionnaire	Error! Bookmark not defined.
3.7.3	Documentary review checklist.....	Error! Bookmark not defined.
3.8	Validity and Reliability of Data Collection Instruments	Error! Bookmark not defined.
3.8.1	Validity	Error! Bookmark not defined.
3.8.2	Reliability.....	Error! Bookmark not defined.
3.9	Data Collection Procedure	Error! Bookmark not defined.
3.10	Data Analyses	Error! Bookmark not defined.
3.10.1	Qualitative Data Analysis.....	Error! Bookmark not defined.
3.10.2	Quantitative Data Analysis.....	Error! Bookmark not defined.
3.11	Measurement of variables	Error! Bookmark not defined.
3.12	Ethical Considerations	Error! Bookmark not defined.
CHAPTER FOUR.....		Error! Bookmark not defined.
PRESENTATION, ANALYSIS AND INTERPRETATION OF FINDINGS		Error! Bookmark not defined.
not defined.		
4.1	Introduction.....	Error! Bookmark not defined.
4.2	Response Rate:.....	Error! Bookmark not defined.
4.3	Demographic Characteristics of the Respondents	Error! Bookmark not defined.
4.3.1	Gender Characteristics of Respondents	Error! Bookmark not defined.
4.3.2	Age of the Respondents.....	Error! Bookmark not defined.
4.3.3	Age of the Respondents.....	Error! Bookmark not defined.
4.4	Empirical Findings.....	Error! Bookmark not defined.
4.4.1	Performance of International Non-Governmental Organization	Error! Bookmark not defined.
4.4.2	Control Environment and organizational performance	Error! Bookmark not defined.

4.4.2.1	Correlation analysis on Control Environment and Organisational Performance of the DRC.	
	Error! Bookmark not defined.	
4.4.3	Control Activities and Organization performance ...	Error! Bookmark not defined.
4.4.3.1	Correlation analysis on Control Environment and Organisational Performance of the Danish Refugee Council	Error! Bookmark not defined.
4.4.4	Information and Communications on the Organizational performance of the DRC	Error!
	Bookmark not defined.	
4.4.4.1	Correlation analysis on Control Environment and Organisational Performance of the Danish Refugee Council.....	Error! Bookmark not defined.
	CHAPTER FIVE	Error! Bookmark not defined.
	SUMMARY, DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS	Error! Bookmark not defined.
		not defined.
5.1	Introduction.....	Error! Bookmark not defined.
5.2	Summary of the Findings.....	Error! Bookmark not defined.
5.2.1	Control Environment and Organisational Performance	Error! Bookmark not defined.
5.2.2	Control activities and Organisational performance..	Error! Bookmark not defined.
5.2.3	Information and communications dimension and organizational performance .	Error!
	Bookmark not defined.	
5.3	Discussions of Findings	Error! Bookmark not defined.
5.3.1	Control environment and organizational performance	Error! Bookmark not defined.
5.3.2	Control Activities and Organizational Performance	Error! Bookmark not defined.
5.3.3	Information and Communications and Organizational performance	Error! Bookmark not defined.
	defined.	
5.4	Conclusions of Findings	Error! Bookmark not defined.
5.4.1	Control Environment and Organizational Performance	Error! Bookmark not defined.
5.4.2	Control Activities and Organisational Performance	Error! Bookmark not defined.

5.4.3	Information and Communications and Organizational Performance	Error! Bookmark not defined.
5.5	Recommendations on the Findings	Error! Bookmark not defined.
5.5.1	Control environment and organizational performance	Error! Bookmark not defined.
5.5.2	Control Activities and Organizational Performance	Error! Bookmark not defined.
5.5.3	Information and communications and organizational Performance	Error! Bookmark not defined.
5.6	Contributions of the study	Error! Bookmark not defined.
5.7	Suggestions for further research	57
REFERENCES		57
APPENDICES		i
Appendix A: Questionnaire		i
Appendix A ₁ : Questionnaire on Internal Controls		ii
Appendix B: Interview Guide/Schedule		i
Appendix C: Documentary Review Checklist		i
Appendix D work plan and time frame		i
Appendix E: Budget Frame		i
Appendix F: Letter from Uganda Management Institute		i

LIST OF TABLES

- Table 1: Risk Matrix Showing the likelihood of occurrence of risk in internal control, and impacting negatively on organizational performance **Error! Bookmark not defined.**
- Table 2: Detailed Report findings on internal control and organizational performance ..**Error! Bookmark not defined.**
- Table 3: Sampling Procedures **Error! Bookmark not defined.**
- Table 4: Validity Results **Error! Bookmark not defined.**
- Table 5: Reliability Coefficient of the study variable..... **Error! Bookmark not defined.**
- Table 6: Response rate **Error! Bookmark not defined.**
- Table 7: Descriptive Statistics of respondents' on Organizational performance**Error! Bookmark not defined.**
- Table 8: Descriptive Statistics on Control Environment and Organizations performance**Error! Bookmark not defined.**
- Table 9: Correlation Results Controls Environment and Organizational Performance....**Error! Bookmark not defined.**
- Table 10: Coefficient of determination on regression analysis **Error! Bookmark not defined.**
- Table 11: Description statistics of Control Activities on organizational Performance**Error! Bookmark not defined.**
- Table 12: Pearson's linear Correlation Coefficient on the effect of control activities on organizational performance of DRC..... **Error! Bookmark not defined.**
- Table 13: Coefficient of determination of regression analysis on Control Activities and Organizational Performance **Error! Bookmark not defined.**
- Table 14: Description statistics of respondents' opinion on the effects of Information...**Error! Bookmark not defined.**

Table 15: Correlation analysis on the effect of Information and Communications and organizational performance **Error! Bookmark not defined.**

Table 16: Linear Regression analysis on Information and Communication and Organizational Performance **Error! Bookmark not defined.**

LIST OF FIGURES

Figure 1: Conceptual Framework showing the effect of internal control on Organizational Performance **Error! Bookmark not defined.**

Figure 2: Bar Graph showing Gender of respondents **Error! Bookmark not defined.**

Figure 3: Response of Demographics according to Age **Error! Bookmark not defined.**

Figure 4: Demographics on Education Levels of Respondents **Error! Bookmark not defined.**

LIST OF ACRONYMS

AGM	Annual General Meeting
AICPA	American Institute of Certified Public Accountants
AUASB	Australian Auditing and Assurance Standards Board
COSO	Committee of Sponsoring Organizations
DRC	Danish Refugee Council
IC	Internal Control
ICAEW	Institute of Chartered Accountant in England and Wales
INTOSAI	International Organization of Supreme Audit Institutions
NGO	Non-Governmental Organization
PIPS	Performance; Information; Physical Control and Segregation of duties
USA	United States of America
USA-GOA	United States of America- Government Accountability Office

ABSTRACT

This survey concentrated on looking at the impact of internal controls on the performance of International Non-Government Organizations in Uganda taking a contextual analysis of The Danish Refugee Council. Specifically, the investigation went for exploring the impacts of control condition; control activities; and information and communication on performance of the Danish Refugee Council. The investigation utilized a cross sectional research plan that used both qualitative and quantitative methodologies. Surveys and interview guides were used to gather data from a sample of 135 informants. Whereas qualitative data was analyzed using content and topical investigation, quantitative data was examined using inferential examination. This survey discovered that control environment; control activities; and information and communication effectively affect the performance of the Danish Refugee Council. The survey commended reinforcing of and enforcement of internal control dimensions for this study (control environment, control activities, and information and communication to improve performance).

CHAPTER ONE

INTRODUCTION

1.1 Introduction

This study examined the effects of Internal Controls on the performance of International Non-Governmental Organizations (INGOs) in Uganda with a case analysis of Danish Refugee Council, Uganda. Internal Control was the independent variable while Organizational Performance the dependent variable.” “This part covers the background of the study, the problem statement, the purpose and objectives, the research questions and hypotheses.” “The chapter also presents conceptual framework, significance, scope, justification, and the operational definition of terms.”

1.2 Background of the study

The background of this study is presented in four perspectives: Historical background; Theoretical background; Conceptual background; and the Contextual background.

1.2.1 Historical Background

According to Lee (1971), internal controls can be traced from “Hellenistic Egypt where there were two types of administration with one group of leaders charged with collecting taxes and another with overseeing them to ensure controls.” “Internal Controls were first included in professional statements in the 1920s and 1930s (David, 1993).” However, it was initially recognized formally in 1949 by the American Institute of Certificated Accountants (AICPA), to additionally improve its performance and ensure the settled management politics (Osmond, 2011).” This was followed by further “clarifications of internal controls in the mid-20th century before publicly held companies in the USA were required by law to adequately implement controls to protect their financial information.” The United States therefore, become the first country to “introduce professional guidance on internal control aimed at improving organizational performance (Myers, 1985, p. 69).”

In the United Kingdom, internal control started in 1953 when “the Chartered Accountants Institute in England and Wales (ICAEW) published a document describing internal audit.”

“Internal audit included references to internal control and internal check (David, 1993; ICAEW, 1953).”

In South Africa, internal controls were effectively introduced and implemented towards the end of the 20th century (Kgabo, 2013), the time when the “Public Finance Management Act, 1999 (amended Act 29 of 1999)” was enacted. That Act had the philosophy of internal controls. The Act directs Accounting Officers to be accountable and responsible for their actions in the management of public affairs.”

In Uganda, internal controls had been in place from the 1920s when the colonial powers set administrative systems in hospitals, schools and administrative units to ensure control and effective service deliver. The year 2003 saw another development in internal control systems in Uganda with the enactment of the Finance and Accountability Act (2003) to ensure commitment control system in the areas of financial management and organizational performance in terms of governance and performance management, in public and voluntary (NGO) sectors.” However, internal control for the context of international NGOs evolved and effectively emerged immediately after the country’s independence (Amudo & Inanga, 2009).

1.2.2 Theoretical Background

“The study was informed by the “Agency Theory” and “Organizational performance model.” The "Agency Theory as set forward by Jensen and Meckling, (1976) and later explained by Sarens and Abdolmohammadi (2010)", has undertones of "a nexus of agreements between the proprietors of monetary assets (the principals) and administrators (the agents) who are accused of utilizing and controlling those assets." The supposition of this theory is that principals and operators act judiciously and use procuring means to increase their riches." This hypothesis sets that "Managers have more information than Owners and that this data asymmetry antagonistically influences the principals' capacity to screen regardless of whether their interests are by and large appropriately served by managers." A result of this supposition might be the "ethical danger issue showing that with an end goal to amplify their own riches, specialists may end up acting against the interests of the principals."

This describes situations when "managers don't act precisely as the owners wish them to hence influencing the general relationship and also the benefits of the principal (Jensen and Meckling, 1976)."

On the other hand, "organisational performance model put forward by Burk and Litwin (1992 was used to identify and ultimately compare the performance of the Organisation as underpinned by Internal Controls." This model "proposes linkages that speculate how execution is influenced by interior and outer elements." "It gives a structure to evaluate organisational and ecological dimensions that are keys to effective change and shows how these dimensions ought to be connected causally to accomplish in performance." "The dimensions that effect organisational performance are: External condition, Mission and methodology, Leadership, Organizational culture, Structure, Management hones, Systems, Work unit atmosphere, Task and individual abilities, Individual needs and qualities, Motivation, Individual and hierarchical execution." "The model additionally recognizes transformational and transactional organisational changes in organisations."

1.2.3 Conceptual Background

The key ideas in this survey were "internal controls" and "organizational performance". "Internal controls dispassionately fills in as the primary element in safeguarding resources and preventing and recognizing mistakes, misrepresentation, waste, mishandle, and mismanagement (Jeffrey, 2005; Hermanson, et al, 2011)." "Jeffrey and Hermanson, et al., affirm that internal control ensures reasonable confidence that an organization's goals are accomplished through viable and proficient activities, dependable financial reporting, agree with laws and directions." "The term reasonable assurance is applied in light of the fact that regardless of how much internal control is composed and implemented; it can't give an assurance that organisational goals will be met." "Cost-benefit is an imperative idea to internal controls consideration when measuring it with the performance of an organization."

"Internal control means procedure/culture that incorporates all controls in the organisation, covering the whole mission and tasks, not simply money related activities (U.S.A Government Accountability Office – GAO, 2005)." "The implication from this definition is that "internal controls ensure the availability of satisfactory separation of obligations in the monetary and non-monetary activities; autonomous checks of changes to key master information records; normal key reconciliations, for example, the reconciliation of financial balance in the bank account, with the sum appearing in the general ledger, documentation and distributions of approaches (policies) and systems for every single significant movement, intentionally to enhance organizational performance."

"Control Environment is characterized as the internal control device that sets the tone for an organisation by affecting the control awareness of its peoples in term of administration and administration capacities." "Control environment is viewed as the establishment for the various measurements to guarantee positive organizational performance (AUASB, 2001)."

Control Activities as characterized by Mercer University (2016), is different plans and methods which guarantee that vital moves are made to address risks influencing accomplishment of organizational goals." "Such necessary actions may be represented by a PIPS; an abbreviation with full meaning of: P - Performance surveys (the audit of real against spending plans or estimates); I - Information handling (checks for precision, completeness, approval); P - Physical controls (physical security); and S - Segregation of obligations."

"Information and Communication System refers to the plans and strategies used in acquiring necessary information, process it and disseminate it to the people who need it in the organization. This means records build up data, process, abridge, and report exchanges and to keep up responsibility of related resources and liabilities for the reasons of accomplishing organizational planned goals (Mercer University, 2016)." "This framework must distinguish and record every single substantial exchange; portray all exchanges on an opportune time; measure the value of exchanges properly; record the exchanges in the best possible time period; appropriately present and disclose exchanges; and Communicate exchanges responsibilities to workers and other stakeholders."

“On the other hand, “organisational performance model put forward by Burk and Litwin (1992) was used to identify and ultimately compare the performance of the Organisation as underpinned by Internal Controls.” “This model “proposes linkages that postulate how performance is influenced by internal and external constructs.” “The model describes a system to evaluate organisational and environmental factors that are keys to effective change and shows how these factors ought to be connected causally to accomplish performance.” “The factors that effect on organisational performance demonstrate are: environmental conditions and internal conditions such as management rehearses, methods , vision, goals, techniques, leadership, employment working conditions, stimulating factors such as motivators, skills and knowledge of performance.”

1.2.4 Contextual Background

The Danish Refugee Council (DRC) is a compassionate, non-governmental, not-for-profit Organization established in 1956, and operates in more than 30 nations all through the world. Its founded on the goal of providing help to struggle influenced populace such as outcasts and refugees, internally dislodged persons (IDPs) and host groups in the conflict regions of the world. The DRC advocates for the benefit of conflict- influenced populace though out the world and in Denmark, based on philanthropic principles and the Human Rights Declaration. Internationally, DRC effectively partakes in supporting the security of evacuees, and advancing solid answers for conflict-influenced populaces (DRC, 2014-2015). The DRC started operations in Uganda in 1999, by supported Uganda’s Self Reliance Strategy (SRS) in Adjumani district by participating in the Danish Assistance to the Self-reliance Strategy (DASS) for the Sudanese refugees in West-Nile region, and Northern Uganda. For the purposes of Internal Controls, the DRC has established a council which is the supreme authority, and other committees to oversee all the operations and activities of the Organization. The DRC has set up internal controls as the arrangement of the organisation and all the strategies and systems put in place to help with accomplishing the management goals of guaranteeing practically effective execution of its activities, including recognition to organization policy, the security of it assets, prevention and discovery of criminal deception and mistake, the exactness in completeness of accounting records and the timely preparation of reliable accounting and financial data (DRC, 2014).

The DRC implements appropriately established frameworks of internal control to guarantee effective assets safeguard, effective and efficient service delivery, effective and efficient accountabilities, and effective good governance in order to enhance positive organizational performance.

The matrix below forms the basis for the rankings as evidence on how internal control contributed to organizational performance over a period of one year. The “Risks were rank” to determine how they impact on the organizational performance:

Table 1: Risk Matrix Showing the likelihood of occurrence of risk in internal control, and impacting negatively on organizational performance

Risk Matrix		Impact		
		High	Medium	Low
Likelihood	High	1	1	2
	Medium	1	2	3
	Low	2	3	3
Rank 1	Major issues, requiring prompt management attention			
Rank 2	Important issues, requiring prompt management attention			
Rank 3	Other issues, requiring prompt management attention			

Source: Adjumani Compliance Audit Report, 2015

When the likelihood of occurrence and impact are high/high, the negative contribution on organisational performance is also high. When the likelihood is medium/high, the negative impact on organisational performance is also high. When the likelihood is medium/medium, the negative contribution reduces towards positivity. When the likelihood is medium/low, the negativity of contribution on organisational performance is low. When the likelihood of occurrence is low/low, the negativity of impact on organisational performance is also low. The present study relates internal control to the overall organizational performance of services delivered by DRC in order to generalize the findings for managerial implications throughout the DRC.

Table 2: Detailed Report findings on internal control and organizational performance

Rankings	Audit Findings	Dimension at Risk	Likelihood	Impact	Performance
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1	Costs charged to the action not reasonable nor justifiable	Control Environment, Control activity, Communications Systems	High	High	Poor
1	Insufficient supporting Documentation	Control Environment, Control activities, Communication System	High	High	Poor
1	Missing Log sheet for Car Hire	Control Environment, Control Activity, Communication System	High	High	Poor
2	Ineligible Salary costs (Costs not claimed in accordance with project partnership Agreement Staffing table)	Control Environment, Control Activity, Communication Systems	Medium	Medium	Fair
3	Attendance list distribution forms not authorised	Control Environment, Control Activity, Communication System	Medium	Low	Good

Source: Adjumani Compliance Audit Report, 2015

Table 2 above is a sample that generalises the reports and presents the overall organisational performance, arising from the internal control monitoring and evaluation. The table gives strong evidence that the internal control was wanting and thus contributed regressively on organisational performance (DRC, 2015).

Cost charged to the action was neither reasonable nor justifiable. This exposed risk to safeguarding assets and property of the organisation, giving evidence of inefficiency and lack of effectiveness in the conduct of business, resulting from inadequate good governance. This scenario gives evidence that all the internal control dimensions were/or will be at risk.

Insufficient Supporting documents: documents supporting expenditures were insufficient, exposing the three internal dimensions to risk as they were poorly managed, and as such there was limited safeguard of property and assets due to inefficiency and ineffectiveness resulting from inadequate good governance.

There were also missing Log-sheets for car hire cost finances and missing log sheets for car hire gives evidence that property and assets used to conduct such an activity could have been erroneously used for personal gain due to inadequate good governance resulting into inefficiencies and ineffectiveness in the conduct of business

Ineligible Salary costs: these were salary cost not claimed in accordance with project partnership agreement staffing table. Ineligible salary costs are a reflection to show that organisational assets and property were not properly safeguarded due to inefficiencies and ineffectiveness, resulting from inadequate good governance.

Attendance list distribution forms not authorised: this exposes management on any activity to have been conducted as a creation to account for the funds used, because good governance was not sought, resulting to inefficiencies and ineffectiveness in the part of management.

1.3 Problem Statement

“Internal controls are believed to establish protocols and procedures that help bring order and cohesiveness to organizations, and hence, support overall organizational performance“ It is argued that the failure of internal control on organizational performance of the Non-Governmental Organizations (NGO) may not easily be understood, until the NGO runs void of financial controls (Steinhoff, 2005).” Danish Refugee Council has over the years implemented a number of Internal “Control measures over financial management and operations management aimed at improving organizational performance.” “Key internal controls implemented include: segregation of roles relating to authorizations, reviews and approvals, establishment of approval limits for financial transactions, Bank mandates, password controlled access to financial systems, establishment of an internal audit function, establishment of policies relating to asset management, personnel management (DRC, 2014).”

“Despite the internal control measures implemented at DRC, available audit reports highlight some performance gaps in the areas of expenditure management manifested through ineligible/non

budgeted expenditures, non-compliance to partner funding requirements/agreements, inadequacies in staff management, weak fleet management and inadequate supporting documentation for procurements (Danish Refugee Council, 2015).” “If the highlighted control lapses are not urgently addressed the potential for suspension of partner funding, budget over runs, procurement losses and low staff productivity among others translating into the non-attainment of organizational objectives is high.” This therefore led to this study: Internal control and performance of International Non-Governmental organizations in Uganda: a case of Danish Refugee Council.”

1.4 Purpose of the study

The purpose of the survey was to examine the effects of Internal Controls on the performance of international non-governmental organizations in Uganda: a case of Danish Refugee Council.

1.5 Objectives of the study

- (i) “To establish the effect of control environment on the performance of the Danish Refugee Council.”
- (ii) “To examine the effect of control activities on the performance of the Danish Refugee Council.”
- (iii) “To assess the effect of information and communication on the performance of the Danish Refugee Council.”

1.6 Research Questions

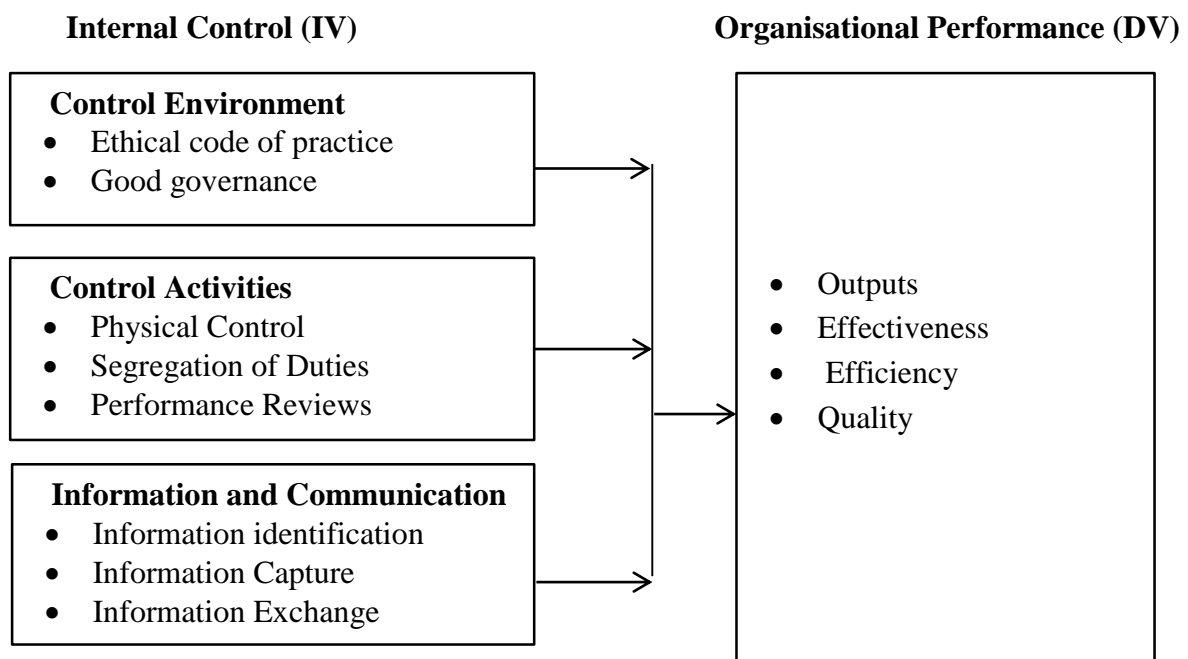
- (i) What are the effects of control environment on the Performance of the Danish Refugee Council?
- (ii) How do control activities affect the Performance of Danish Refugee Council?
- (iii) What are the effects of information and communication on the performance of Danish Refugee Council?

1.7 Research Hypothesis

- (i) “Control environment has a positive significant effect on performance of the Danish Refugee Council.”
- (ii) “Control activities have a positive significant effect on Performance of the Danish Refugee Council.”
- (iii) “Information and Communication have a positive significant effect on Performance of an international the Danish Refugee Council.”

1.8 Conceptual Framework

“This framework summarizes the hypothesized linkages between variables.” “It illustrates the important feedback from Organizational Performance arising from the controls basing on the internal control dimensions.”



Source: *Adapted from Department of Treasury and Finance, State Government Victoria, 2015; Financial Management and Compliance Framework and Modified by the researcher.*

Figure 1: Conceptual Framework showing the effect of internal control on Organizational Performance

“Control Environment: control environment, will ensure that agency stewardship practices, ethical code of practices and good governance to allay Principals fears.” “Organizational performance model on the other hand enforces the agency operates within the agreed and established structure with the Principal to enhance its constructs yield to performance measurement, determining the outcome to the desired organizational performance (Quall, 2004; Nearon, 2005; Pickett & Pickett, 2005).”

Control Activities: in this study, control activities will ensure the agency stewardship operated within the established policies and procedures, which requires the agency to have adequate education and training on control and internal audit requirements or skills to achieve the desired organizational performance”. “Organizational performance model; will require the agency to carry out its activities within precepts internal control and structure in order allay Principals fears.

“Information and Communication: communication systems will be used to ensure that effective and comprehensive exchange of information and Communication, hence contributing positively to the organizational performance.” Organizational performance model; will require the agency to strengthen internal control through the structures obtaining, while taking performance measurements to control the phenomena to enhance a positive organizational performance.”

1.9 Significance of the study

“The study findings have added on the existing body of knowledge for internal controls and organization performance.”

“The findings of the study also are applicable to the DRC and other international and local NGOs, in that by applying the study recommendations, they will improve on their efficiency, effectiveness; and accountability and transparency.”

1.10 Scope of the Study

1.10.1 Content Scope

“The study focused on examining that variability internal control and Organizational performance of International Non-Governmental Organization.”

1.10.2 Geographical (area) Scope

The survey was carried out at the DRC Head Office located on Plot: 4648, Kalungi Road, Muyenga, Makindye Division; Kampala; because this is the place from where policies and control mechanisms are discharged and its field offices in other districts where implementation takes place.

1.10.3 Time Scope

The study time scope was 2015 - 2016 because this was the period the DRC registered significant challenges/or gaps in internal control as revealed by the internal compliance review report (Internal Compliance Audit/review Report, 2015).

1.11 Justification

“The survey was necessary because the Danish Refugee Council, a service providing NGO needed to enhance its Organizational Performance using internal controls.” “The Danish Refugee Council should provide effective internal controls and position itself in the mind of the public, that their main duty is to satisfy the quest of safeguarding the assets of the institution and to effectively and efficiently deliver the desired services, this being the main reason for its establishment.”

“The study findings may also help to identify the weaknesses of internal control at the Danish Refugee Council and help in the design of an appropriate internal control parameters and strategies to improve on its Organizational Performance.”

1.12 Operational Definitions of Terms:

“**Control:** is the process of ensuring that the transactions are effectively conducted to achieve organizational goals.

“**Internal Control:** is the process whereby the internal systems are strengthened to ensure accomplishment of organizational objectives.

“**Organizational Performance:** is defined by Business directory.com as the planning, organizing, directing, controlling, and monitoring, the monetary resources of an organization, in order to achieve the goals of an organization.”

“**Control Environment:** is defined as the parameter that sets the tone for the organization to effectively operate.

“**Output:** is the end result of performing an activity.

“**Effectiveness:** is an act of producing a desired on intended result.

“**Efficiency:** is defined as the state or quality of being efficient.

“**Quality:** is the standard of performing an activity measured against set standards.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter was to review the literature and writings of the previous scholars on the areas related to this topic as well as explaining the correlation between the variables. This chapter presents the introduction, theoretical review and review of related literature, and the Summary.

2.2 Theoretical Literature Review

The study was informed by the “Agency Theory” and “Organizational performance model.” The "Agency Theory as set forward by Jensen and Meckling, (1976) and later explained by Sarens and Abdolmohammadi (2010)", has undertones of "a nexus of agreements between the proprietors of monetary assets (the principals) and administrators (the agents) who are accused of utilizing and controlling those assets." The supposition of this theory is that principals and operators act judiciously and use procuring means to increase their riches." This hypothesis sets that "Managers have more information than Owners and that this data asymmetry antagonistically influences the principals' capacity to screen regardless of whether their interests are by and large appropriately served by managers." A result of this supposition might be the "ethical danger issue showing that with an end goal to amplify their own riches, specialists may end up acting against the interests of the principals." This describes situations when "managers don't act precisely as the owners wish them to hence influencing the general relationship and also the benefits of the principal (Jensen and Meckling, 1976).” “Indeed, hiring of the employee in an organization fits within the principal-agent relationship in which employees are the agents and employers being the principal

"Hill and Jones (1992) assert that it might pay for the specialist to spend a few assets (holding costs) to ensure that he will take certain activities that would hurt the main, or to guarantee that the Principle will be fittingly repaid if he takes such activity." That is to state, the "agent may cause ex-ate holding costs when keeping in mind the end goal to win the privilege to deal with the assets of the Investor (Principal)." "In spite of these assumptions, it is recognized that some differences may in any case stay between the agent's activities and the Principal’s benefits." "If this difference can decrease the central's welfare, it is named as residual costs. The total of the principal's checking consumptions, the administrator's (agents) holding costs and any staying leftover costs are called office costs."

"The Theory depicts establishments as fundamental structures to look after contracts, and through firms, it is conceivable to practice control which limits sharp conduct of agents." "The theory perceives the deficient data about the relationship, interests or work performed of the agent portrayed as antagonistic choice and moral risk." "Moral risk and adverse selection influences the yield of the agent in two ways; not doing precisely what the specialist is delegated to do, and not having the essential information about what is ought to be done." "This influences the general performance of the relationship and also the benefits of the principals in the form of cash residual.

"On the other hand, "organisational performance model put forward by Burk and Litwin (1992) was used to identify and ultimately compare the performance of the Organisation as underpinned by Internal Controls." "This model "proposes linkages that postulate how performance is influenced by internal and external constructs." "The model describes a system to evaluate organisational and environmental factors that are keys to effective change and shows how these factors ought to be connected causally to accomplish performance." "The factors that affect organisational performance demonstrates are: environmental conditions and internal conditions such as management rehearses, methods, vision, goals, techniques, leadership, employment working conditions, stimulating factors such as motivators, skills and knowledge of performance."

2.3 Related Literature Review

2.3.1 Control Environment and organizational performance

"Control Environment puts in place the strength and firmness for the organizational controls, by impacting the control cognizance of its people (Hamed and Babak, 2009)." "This happens while guaranteeing that the control environment factors that comprise uprightness and moral esteems; sense of duty regarding capability; Board of directors or audit advisory committee; administration's philosophy and working style; hierarchical structure; task of expert and obligation; and personnel approaches and other element of internal control and improves skills and ability of competency (Kamau, 2014)." "According to Hamed and Babak (2009), supportive attitude is the standard that requires leadership and workers to keep up and demonstrate a steady disposition towards internal

control constantly, and internal control matters are steps expected to advance the viability of the controls." "This infers that attitude affects the quality of control environment performance. Positive supportive attitude on control environment is begun and reinforced by administration, and is guaranteed when internal control is reliably an administration priority (Kgabo, 2013)." "This is a commitment met on control environment through great administrative structure, staff practices, correspondence, control in the used of resources, where orderly responsibility, checking and frameworks of revealing and general initiative are required." "One significant means to demonstrate management's help for good control environment to improve organizational performance is underscoring the values of internal auditing and the administrators who demonstrate responsibility and commitment by showing responsiveness to information created through internal audit(COSO, 2013)."

"Under equipped work force in skills, control environment demands Managers and workers to have professional and expert honesty and abilities (Hamed and Babak, 2009)." They are to be fit enough to manage their assigned obligations, and to comprehend the significance of guaranteeing sound internal controls. Individual and professional expertise must be exhibited." "Numerous components impact the respectability of chiefs and their staff." For instance, "faculty ought to intermittently be helped to remember their commitments under an agent set of accepted rules." "Enlisting and staffing choices ought to incorporate confirmation of instruction and experience." Once at work, the individual ought to be given formal and at work preparing." "Directors who have a decent comprehension of inner control are crucial to successful control frameworks." "Advising and execution examinations are additionally essential of control condition (Kgabo, 2013)." "By suggestion, some portion of the evaluation ought to be founded on establishing that they bolster usage and upkeep of inward control to empower dynamic association execution." "The writing audit uncovers that interior control impacts hierarchical execution, however how it impacts was not well brought out."

"Under competent personnel, control environment demands Managers and employees to have personal and professional integrity and skills (Hamed & Babak, 2009)." They are to be qualified to

perform their assigned duties, as well as to understand the importance of ensuring sound internal controls. Personal and professional integrity must be shown.” “Many elements influence the integrity of managers and their staff.” For example, “personnel should periodically be reminded of their obligations under an operative code of conduct.” “Hiring and staffing decisions should include proof of education and experience.” Once on the job, the individual should be given formal and on-the-job training.” “Managers who have a good understanding of internal control are vital to effective control systems.” “Counseling and performance appraisals are also important of control environment (Kgabo, 2013).” “By implication, part of the appraisal should be based on determining that they support implementation and maintenance of internal control to enable progressive organization performance.” “The literature review reveals that internal control impacts organizational performance, but how it impacts was not well brought out.”

2.3.2 Control Activities and organizational performance

"Control activities help guarantee that significant actions are taken to address hazzards and accomplishment of the organisations goals. (Hamed and Babak, 2009)." "Control activities, regardless of whether computerized or manual, have different destinations and are connected at different organisational and serviceable levels (Kgabo, 2013)." "Practically, control activitiess that might be important to audit and internal control might be categorized as strategies and methods that relate to the following: Performance audits; Information preparing; Physical controls; and Segregation of obligations." "Control activities should have Control goals (to be distinguished or produced for every office action." "They are to be consistent, material, and sensibly accurate." "Internal control targets ought to be customized to an office's tasks, which can be exhibited as office cycle that can be assembled into at least one group (Hamed and Babak, 2009)." "Cycles make up every single particular action, (for example, recognizing, arranging, recording, and detailing data) required to process an exchange or occasion." "Cycles ought to be perfect with agency’s organisation and division of duties." "Monetary related cycles cover the conventional (traditional) control zones concerned with income and expenditure, resources, other monetary related information and non-money related information." "The literature reviewed on this objective uncovered that control

activities positively affect the performance of an organization. How it affect was not obviously expressed."

2.3.3 Information and Communication on Organizational Performance

"Information and Communication is fundamental in effecting internal control to develop performance in the organization. This is because information around an entity's designs, control environment, hazards, control activities, and performance must be disseminated; up, down, and across an organization (Pickett and Pickett, 2005; Kgabo, 2013)." "Information and Communication successfully ensures the provision of data required for internal control that ought to be conveyed or shared among partner to enable organisational (Lebans and Euske, 2006)." "Various sources, (for example, organisational structure, strategies, methods, planning, bookkeeping, and staff) inside the organisation give administration data that is conveyed to manage different segments of internal control and provides guidance of what could possibly be done in accomplishing organizational performance (Visser and Erasmus 2008)." "Organisations utilize inborn correspondence to share data among all representatives inside their organization while extraneous correspondence meets the desires of outer partners by giving them information; intentionally to reinforce inward control and improving organizational performance (David, 1993)." "Data ought to be conveyed to all partners, for example, administration, and representatives, who require it in the shape and time frame that causes them to complete their obligations (DiNapoli, 2007; INTOSAI, 2004; 2009; 2013)." Information need to be suitable, timely, present, precise and open thusly dependable and important hence exchanges ought to be speedily recorded and appropriately classified (INTOSAI, 2004; 2009; 2013)." "The input from this correspondence helps administration and different partners to assess how well internal control is functioning (DiNapoli, 2007)." "Information and Communication (IC) are basic to understanding internal control goals of an organisation." "If all employees comprehend their own duties in the ICs and they also know how their individual activities identify with the work of others, an effective message got from top administration about control activities is treated with great concern (DiNapoli, 2007)."

3.4 Summary of Literature Review

"The reviewed literature uncovered various investigations that have been done in the faculty of internal control." "It additionally uncovered that the majority of internal control strategies are still best to uphold internal controls in the organisation so as to improve its performance." "The literature audit uncovers that however internal control is both financial and non-financial strategy and framework, it is intended to advance proficiency or guarantee the implementation of a policy. The review of literature likewise uncovered different surveys on internal controls having diverse measurements constructs for both independent and dependent variables. "COSO, (1993; 2009; 2013), presents internal control with these dimensions: Control Environment; Risk Assessment; Control Activities, Information and Communications; and Monitoring. For the purpose of this study, organisational performance was presented with Output, Effectiveness, Efficiency and Quality. However, Vijaya Moorthy, (2014); presented internal control with just two measurements: Administrative Controls and Accounting Controls," and "organizational performance with Assets Safeguards and Corporate Governance, which is not the concern for this study. Literature audit likewise uncovered that the investigation of Internal Controls are exceptionally old and the effect of lapse of time has affected the investigations, for instance, the investigation by the Institute of Chartered Accountants of England and Wales, (1953) and Lee, (1971)." "The Literature review did not uncover how control environment can oversee organizational performance; the same applies to other different measurements of internal control limited to this study." "Obviously, the literature reviewed did not uncover any such surveys on internal controls in Uganda, except students' unpublished dissertations and recommendations in different libraries of Universities and other Higher Institutions of learning."

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter presents the methodology used in the survey. The chapter covers research design, population of study, sample size and selection, sampling techniques and procedures, data collection methods, and the data collection instruments. It also covers validity and reliability tests, data collection procedures, data analysis, measurement of variables and ethical considerations.

3.2 Research Design.

The examination utilized a cross sectional review outline that embraced both subjective and quantitative methodologies." "Cross sectional investigations utilized on the grounds that it includes the determination of a little example of individuals from a greater populace to go about as a deduction and enabled the scientist to look at a wide range of factors in the meantime (Yin, 2014; Sedgwick, 2014)." "Subjective approach was utilized to advance the comprehension of the way things are done, why they are and the way they are through exceptional perceptions, meetings and exchange while Quantitative investigation was utilized to gather numerical information with a specific end goal to clarify, foresee and control the marvels of premium (Creswell and Clarke, 2011)."

The study used a cross sectional survey design that adopted both qualitative and quantitative approaches." "Cross sectional studies used because it involves the selection of a small sample of people from a bigger population to act as an inference and allowed the researcher to compare many different variables at the same time (Yin, 2014; Sedgwick, 2014)." "Qualitative approach was used to promote the understanding of the way things are done, why they are and the way they are through intense observations, interviews and discussion while Quantitative study was used to collect numerical data in order to explain, predict and control the phenomena of interest (Creswell & Clarke, 2011)."

3.3 Population of the study

"The examination populace was produced from Danish Refugee Council in Uganda." "The populace classifications included best administration, center administration and the recipients." "It was stratified into the respondents that assumed a main part in understanding the impact of interior control

on authoritative execution of DRC." "The populace classification included 10 Top administration; 80 Middle administration and 70 Beneficiaries."

“The study population was generated from Danish Refugee Council in Uganda.” “The population categories included top management, middle management and the beneficiaries.” “It was stratified into the respondents that played a leading role in understanding the effect of internal control on organizational performance of DRC.” “The population category included 10 Top management; 80 Middle management and 70 Beneficiaries.”

3.4 Sample size and determination

“Sample was 135 respondents. The sample was determined using statistical tables of Morgan and Krehjcie (1970), cited in Amin (2005). “Sample determination and sampling procedures are presented in table 3 below”:

Table 3: Sampling Procedures

This table presents the population, and sample size and sampling techniques.

Category	Population	Sample Size	Sampling Technique
Top Management	10	10	Purposive
Middle Management	80	66	Simple Random Sampling
Beneficiaries	70	59	Convenience
Total	160	135	

Source: Primary Data, 2017

3.5 Sampling Techniques and Procedures

“The investigation used probabilistic and non-probabilistic sampling techniques. In probabilistic sampling; simple random sampling was used, because this gives equal chances for each element in the survey to be chosen to participate (Saunders, *et al*, 2012; Black, 2010; Creswell, 2013). Purposive Sampling (also known as judgmental) was also used to select respondents from the top management team.” “The technique was used because these were key informants who were deemed to have a lot of relevant information relevant to the study.” “Convenience sampling technique was used select

beneficiaries.” “The technique was preferred given that these people were not readily available (Saunders, *et al*, 2012; Black, 2010; Creswell, 2013).”

3.6 Data Collection Methods

3.6.1 Face to Face Interviews

“Interview method basically relied on face-to-face interactions with the informants in a bid to generate detailed and first-hand information.” “This involved the researcher personally interacting with the selected respondents with a set of pre-determined questions that they were required respond to on a one by one basis.” “Interview method was deemed important in this study because it enabled accurate screening, captured verbal and non-verbal responses, and kept focus on the subject matter, and captured emotions and behaviour of respondents (Wyse, 1015).” “Interview technique was also used to corroborate and enrich data collected using other methods.” “Using interview was advantageous because it allowed an on spot explanations, adjustments and variation can be introduced during data collection process and through respondent’s incidental comments, use of this facial and body expressions, tone of voice, gestures, feelings and attitudes (Amin, 2005; Kumar, 2011).”

3.6.2 Questionnaire Survey

“This method allowed the collection of data from a large number of respondents.” “The method involved the researcher preparing set of questions pertaining to the field of enquiry.” “The researcher formulated questions in order to generate both quantitative and qualitative data (Amin, 2005).” “The Questionnaire was used because it was cheaper to administer it takes a short period of time.” “A questionnaire also allowed respondents to feel free to give information and respondents answer the questions at their own time sometimes without the influence of the researcher.” “A questionnaire was used to avoid subjectivity that results from close contact between the researcher and the respondent.” “Also a questionnaire was preferred because it was used to collect a lot of data over a shorter of time and less expensive.” “Questionnaire was distributed to the staff and beneficiaries in order to get a wider range of respondents.”

3.6.3 Documentary Review

“This method aimed at collecting information from the already existing sources both published and unpublished.” “Documentary review used secondary sources to observe the viewpoint or argument of academic work (Annun, 2016).” “The process of documentary review involved assessing documents.” “It enabled the researcher to obtain detailed data related to the topic of survey. It also has the advantage of saving time and costs of acquiring information (Sekaran, 2003).” “The documents reviewed included but not limited to; annual reports, Audit reports, and compliance review reports.”

3.7 Data Collection Instruments

“These were the tools used by the researcher in gathering data to answer specific questions of the problem (Kumar, 2011; Creswell, 2013). The researcher used interview guide, questionnaire, and documentary review checklist.

3.7.1 Interview guide

“The interview guide was an oral schedule of questions which the researcher used to gather data through direct verbal interactions with the respondent.” “The interview guide contained open ended questions relating to the study interest.” “The instrument allowed the researcher to orally read questions to the interviewee as they provided answers for the conversation.” “The verbal answers were recorded and used in chapter four to supplement on the quantified data obtained using questionnaire.” “The interview guide was used by the researcher because it gives room for probing and making clarifications (Kumar, 2011; Sekaran & Sekaran, 2003).” “The interview guide was used to collect data from top management who are expected to provide in-depth information through probing during the face-to-face interview.”

3.7.2 Questionnaire

The Questionnaire survey method used questionnaires comprising open ended and closed questions. The study used a questionnaire because it gives the respondents enough time to gives responses on

the matters raised and data can easily be analyzed numerically, less time consuming and gives the respondent freedom to provide answer comfortably (Russell, 2011).”

3.7.3 Documentary review checklist

This comprised a list of documents to be reviewed, which contained secondary data such as relevant books, journals, websites, board reports, reports from the finance and banking data, Newspapers, other media reports, and any other related literature to the study.”

3.8 Validity and Reliability of Data Collection Instruments

3.8.1 Validity

“Hair et al. (2007); Neuman, (2011) define validity the degree to which a measure accurately represents what it is supposed to. (Fujun et al., 2007; Neuman, 2011) advocated the use of CVI to measure validity of a survey instrument. “The study used the content validity index (CVI) to measure validity because it covers a broad range of areas within the concept under study. Validity is measured using Content Validity Index (Coefficient Validity Index – CVI), which is determined by expert judgment (Amin, 2005; Neuman, 2011).” “The expert judgment makes a comparison between “what is to be included in the instrument, given in the intended purpose and what actually is included in the instrument.” “The formula for measurement of validity is as follows: $CVI = \frac{\text{Number of items declared valid}}{\text{Total number of items}} = \frac{N - n_e}{N}$. Where: N = Total number of items; n_e = Number of items discarded. “Acceptable cut-off point for a valid study instrument 0.7 or above (Neuman, 2011; Malhotra, 2010; Amin, 2005).” The CVI results were as presented below:

Table 4: Validity Results

	Variables	Number of Items	Relevant Items	CVI
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Valid	Control Environment	16	15	0.938
	Control Activities	13	12	0.923
	Information and Communications	15	13	0.867
	Overall	44	40	0.909

Source: Primary Data, 2017

Analysis and Interpretation

Table 4 above, shows that all the three Internal Control dimensions included in this study were internally valid as all of them when tested were above 0.70 Coefficient Validity Index (CVI). Control Environment has CVI = 0.938, Control Activities has CVI = 0.923; and Information and Communication has CVI = 0.867. This represents an overall average of 0.909, which is above 0.70 CVI (Amin, 2005).

3.8.2 Reliability

"It is the measure of how much an exploration instrument yields steady outcomes or information after rehashed trial (Saunders, et al., 2012; Mugenda and Mugenda, 1999)." "Dependability is the means by which instrument ought to be estimated. A few measures have been utilized to build up the reliability quality of the instrument, for instance, split-parts, test-retest, proportional structures and inside consistency strategy." "Internal consistency technique is connected in this present investigation." "Hair et al. (2007) and Saunders, et al., 2012) specified that the justification for inside consistency is that the individual things or pointers of the scale should all gauge a similar build and in this way be exceptionally between connected."

"Fujun et al. (2007) and Black,. (2010) called attention to that the Cronbach's Coefficient alpha (α) with satisfactory cut off point 0.70 shows that all characteristics are inside predictable." "The scope of the outcomes must be in the vicinity of 0 and 1, and the evaluation criteria will be as per the following: Reliability ≥ 0.70 = Adequate reliability quality for amass correlation; ≥ 0.9 = Adequate dependability for singular observing (Fujun et al., 2007; Black, K. 2010; Saunders, et al., 2012)."

Table 5: Reliability Coefficient of the study variable

Reliable	Variables	Cronbach's Alpha based on Standardized Items	Number of Items
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	Control Environment	0.905	16
	Control Activities	0.907	13
	Information and Communications	0.900	15
	Overall	0.904	44

Source: Primary Data Collected, 2017

Analysis and Interpretation

Table 5 above, showed that the tested study instruments on all the three dimensions of Internal Control were consistent. All of them were tested and found to be above 0.70 Cronbach's Coefficient Alpha (α). Control Environment had $\alpha = 0.905$, Control Activity had $\alpha = 0.907$; and Information and Communications had $\alpha = 0.900$

3.9 Data Collection Procedure

"After successfully defending of the research proposal, the researcher got an introductory letter from Uganda Management Institute." "The letter was then presented to the Country Director of Danish Refugee Council in November, 2016." "It is at this point that permission to conduct the study was granted." "Once permission was granted, a team of 3 research assistants led by a researcher started collecting data that covered a period of over one month. Data collected was edited with a view to check for completeness and accuracy." "Thereafter, data was processed by means of cleaning, editing, doing and creating a template that helped in minimizing data entry errors. Data was then ready for analysis."

3.10 Data Analyses

Information examination is a procedure of assessing, cleaning, changing, and demonstrating information with the objective of finding valuable data, recommending conclusions, and supporting basic leadership (Black, 2010; Creswell, 2013).

3.10.1 Qualitative Data Analysis

Qualitative data analysis involved analyzing and interpreting narrative data and content analysis to bring order and understanding, which required creativity, discipline and a systematic approach (Black, 2010; Creswell, 2013)." "All qualitative data analysis involved the four essential steps: (i) Raw data management, (ii) Data reduction, (iii) Data interpretation, and (iv) Data representation.

3.10.2 Quantitative Data Analysis

"Quantitative Data Analysis (QDA) is the scope of procedures and techniques whereby we move from the quantitative information that have been gathered into some type of clarification, comprehension or elucidation of the general population and circumstances we are exploring (Creswell, 2013; Black, 2010)." "Under quantitative data analysis, crude information was first cleaned, arranged and grouped into codes. Enlightening insights, for example, measures of central tendency was used to depict and outline the data." Data was translated using the mean and standard deviation." "Additionally relationship statistics including correlation coefficient, regression, and cross tabulation were used to set up the quality of the relationship between the variables.

3.11 Measurement of variables

"The researcher used both the nominal scale and ordinal scale in measuring the data." "Nominal scale was used for capturing gender, age, occupation, and ordinal data was used in ranking the data (Saldana, 2015)." "The researcher used the Likert scale rate system to rate the opinions of the respondents (Likert, 1967)." The Likert scale was represented by 5= Strongly Agree; 4 = Agree; 3= Neutral; 2= Disagree and 1= Strongly Disagree.

3.12 Ethical Considerations

"The researcher first sought permission from Uganda Management Institute, Faculty of Management Science, to conduct the study, where a letter of introduction authorizing her to conduct the study was provided to her by the Institute." "The researcher obtained informed consent from all respondents to the study before carrying out the study, and introduced herself, explain to the respondents in the study area the objectives of the study, explain why the particular respondents were selected, the benefits, discomforts and harms of the study, and requested to also to be asked questions in relation to the study."

"The researcher designed the questions in such a manner that they do not violate the rights of the informants and assuring them of their privacy."

The respondents were likewise guaranteed of secrecy on data given and individual names were not showing up on the exploration archives, rather quantities of distinguishing proof were utilized for recognizable proof of particular respondents.

CHAPTER FOUR

PRESENTATION, ANALYSIS AND INTERPRETATION OF FINDINGS

4.1 Introduction

“The study investigated the effects of Internal Control on the performance of international non-governmental organizations, using a case of the Danish Refugee Council in Uganda, guided this study.” “This Chapter covers presentation, analysis, and interpretation of findings, which were based on the study objectives.”

4.2 Response Rate:

The response rate is presented in Table 6 below

Table 6: Response rate

Instrument	Target Response	Actual Response	Response Rate
Questionnaire	105	103	76.3%
Interview	30	27	20.0%
Total	135	130	96.3%

Source: Primary study data, (2017)

“From table 6 above, out of 105 questionnaires administered, 103 were returned correctly filled; representing 76.3%.” “Out of 30 of respondents that were targeted for interviews, only 27 respondents were actually interviewed, implying response rate of 20% of the sample size.” “The overall response rate, therefore, 96.3% of the sample size.” “The response rate was deemed good enough since it was over and above 50%; implying that the results of the study can be relied upon.

4.3 Demographic Characteristics of the Respondents

“The demographic characteristics of the respondents were observed by the study.” “The demographics included gender, age, and education level of respondent in the organisation.”

4.3.1 Gender Characteristics

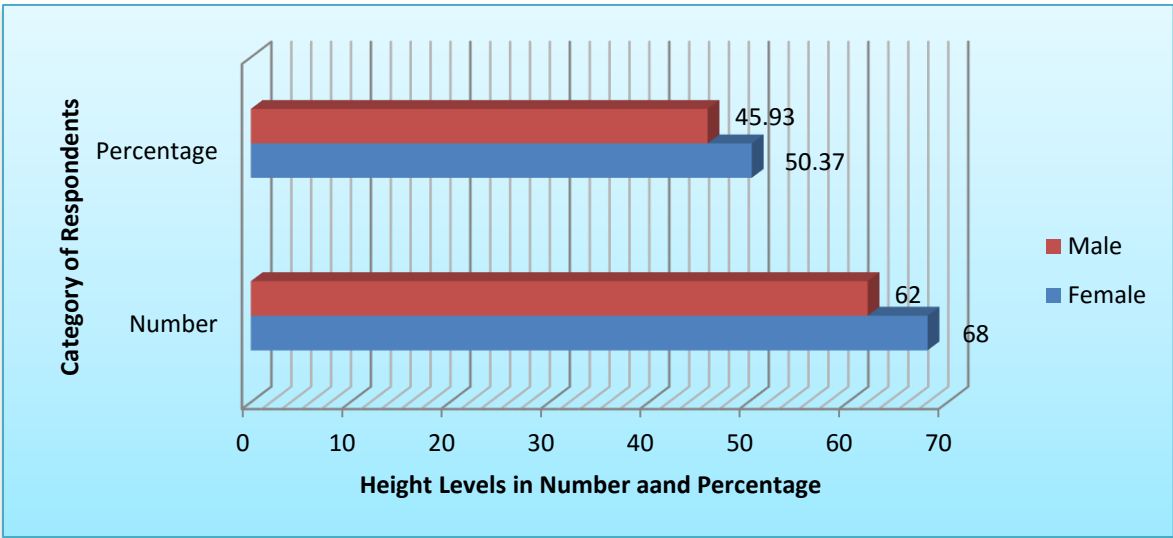


Figure 2: Bar Graph showing Gender of respondents

Information Source: Primary Data, 2017

From figure 2 above, the majority of respondents were female, as they were 68 out of the 130 filled and returned respondents taken from the sample size, and representing 50.37% of the respondents. The Male respondents were only 62 members representing 45.93% of the sampled respondents. Since both female and males respondents were part of the sample, the results of the study were gender representative, implying that the study findings can be elide upon.

4.3.2 Age of Respondents

The age structure was observed in the study and presented in the figure below:

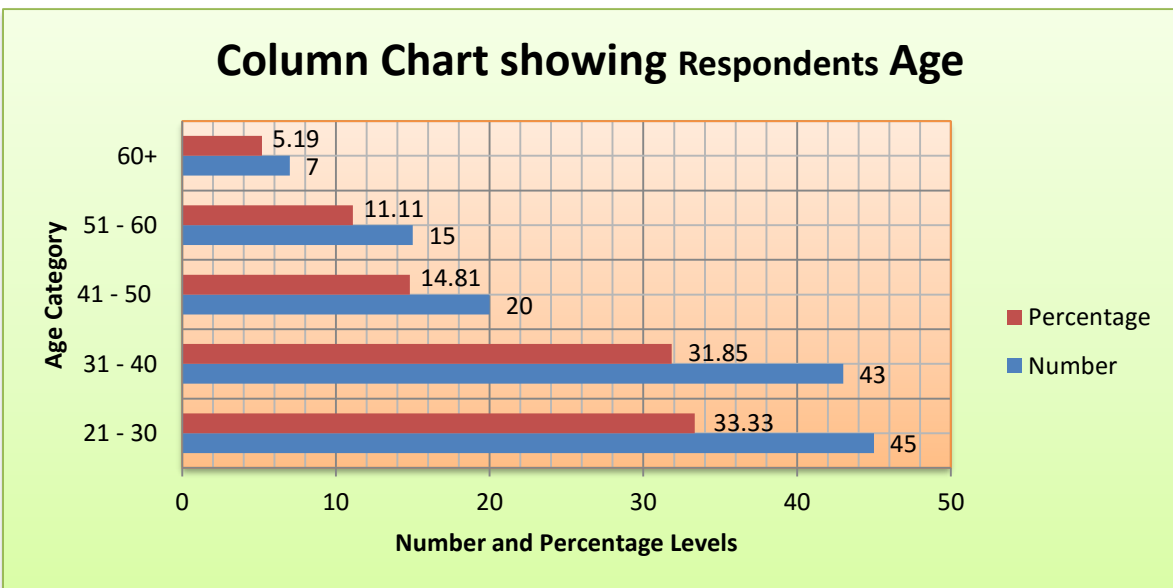


Figure 3: Response of Demographics according to Age

Source: Primary Data, 2017

Figure 3 above, shows the age category of respondents. The majority of respondents totaling 45 in number ranged between 21-30 years, representing 33.33%. The category of 31-40 were the second largest respondents constituting 31.85%, 41-50 year category presented a total of 20 respondents, translating to 14.81%; the age category of 51-60 years presented a total of 15 respondents, translating to 11.11%; and the age brackets of 60 and above presented 7 respondents, translating to 5.19%. “From Figure 3 above, the finding imply that the results were valid since the respondents were adults and mature enough to understand and appreciate the study.”

4.3.3 Education characteristics

“The education levels of respondents were established from the questionnaires distributed to the respondents and administered by the researchers, with the results as shown below”:

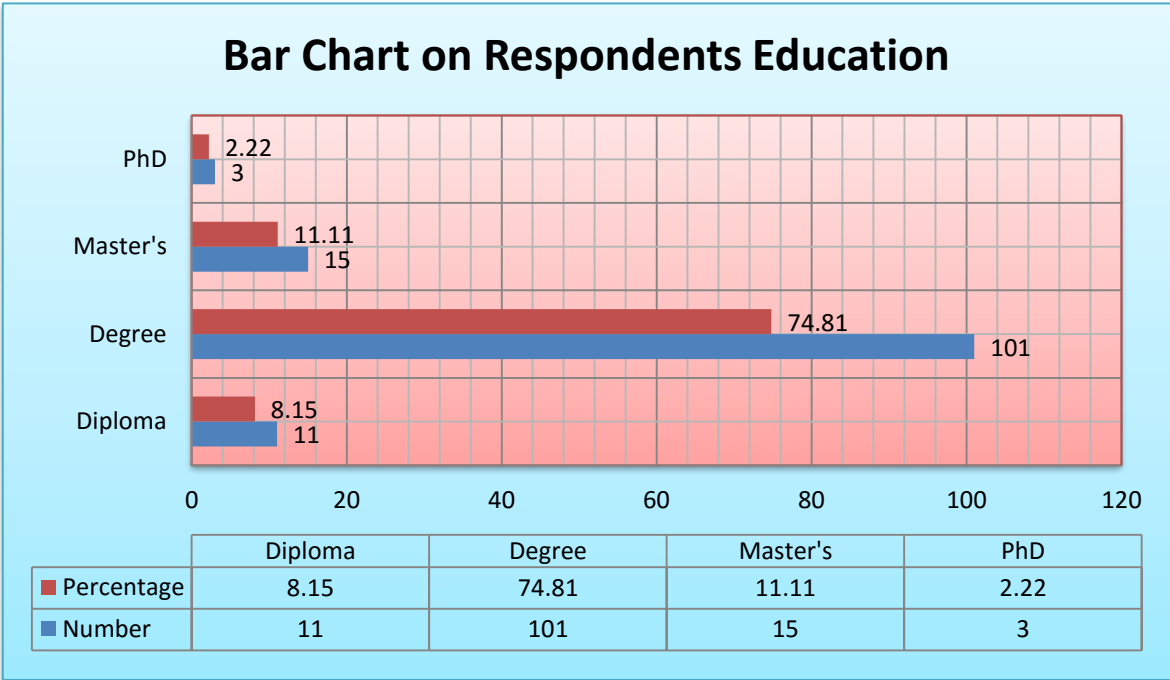


Figure 4: Demographics on Education Levels of Respondents

Source: Primary Data, 2017

Figure 4 above, gives a break-down on the education levels of the respondents. From figure 4 above, evidence is that the degree holders were the highest respondents with a total number of 101

respondents, represented by 74.81%; the Masters holders were 15 respondents' in numbers representing 11.11%; followed by the Diploma holders who were 11 respondents representing 8.15%; and finally the PhD holders with 3 members representing 2.22%. "The findings however imply that the respondents were educated and understood the study problem."

4.4 Empirical Findings

"The empirical findings are presented according to the study objectives and analyzed using descriptive and inferential statistics."

4.4.1 Performance of International Non-Governmental Organization

"The dependent variable for this study was Performance of International Non-Governmental Organizations." "The goal for the DRC is to ensure positive organizational performance by achieving its objectives as desired. A 5 point Likert scale was used to determine the opinion of respondents (where strongly Agree = 5; Agree = 4; Neutral = 3; Disagree = 2 and Strongly Disagree = 1)." "The mean nearer 1 and 2 indicate disagreement in the responses and the mean nearer to 4 and 5 show agreements with the responses in respect of the relationship between the two variables, while the mean nearer to 3 indicate the neutrality of the respondents." "The Standard deviation (σ) measures the magnitude of deviation from the central point of concern. The smaller the standard deviation, the stronger the relationship between the two variables is." "The respondents gave the following responses in relation to the dependent variable."

Table 7: Descriptive Statistics of respondents' on Organizational performance

Item	5	4	3	2	1	Mean (μ)	Std. Deviation (σ)
The DRC is performing to the satisfactions of its beneficiaries	51 37.8%	64 47.4%	7 5.2%	3 2.2%	5 3.7%	4.007	0.567
I am satisfied with organizational operations of the DRC	58 43.0%	53 39.3%	10 7.4%	4 3.0%	5 3.7%	3.821	1.021
The performance of the DRC meets the requirements of the International NGOs	68 50.4%	53 39.3%	4 3.4%	3 2.2%	3 1.5%	4.726	0.915
The DRC operations and performances are effective and efficient	59 43.7%	59 43.7%	5 3.7%	2 1.5%	5 3.7%	4.202	0.726
The DRC performance effectively helps in places of emergencies	61 45.2%	60 44.4%	4 3.0%	3 3.0%	2 1.5%	4.476	0.709
The DRC has a good customer service which is representative of good Organizational performance	50 37.0%	48 35.6%	6 4.4%	18 13.3%	8 5.9%	3.978	1.001
There is satisfaction with the amount of support the DRC gives to the vulnerable communities	51 37.8%	59 43.7%	8 5.9%	7 5.2%	5 3.7%	3.995	0.575
There is satisfaction with the appropriateness of the DRC organizational performance	59 43.7%	55 40.7%	10 7.4%	2 1.5%	4 3.0%	4.015	1.095
Average Mean and Standard deviation						4.153	0.850

Source: Primary study Data, (2017)

Table 7 above shows how respondents' gave their opinion on the performance of an International Non-Governmental Organization in relation to its internal controls. The findings from the above table showed that the average mean was 4.153 and the standard deviation was 0.850. The findings were that since the mean was nearer to 4 and 5, the respondents were in agreement with the statement that internal control has positive effect on organizational performance. The standard deviation of 0.850,

indicate that the deviation from the mean is lower, meaning that the respondents were in agreement with the statement of effect of Internal Control on organizational performance.

4.4.2 Control Environment and organizational performance

“This first objective examined the effects of control environment on organizational Performance.”

“Questionnaires were administered to them.” “The responses were measured on a five point Likert scale ranging from (5, for “Strongly Agreed”, 4 for “Agree”, 3 for “Not Sure”, 2, “Disagree”, 1, for “Strongly Disagree”).

“The mean nearer to 4 and 5 means that the respondents have agreed of the relationship between the variables, the mean nearer to 3 is neutral, the mean nearer to 1 and 2 means that the respondents disagreed with the relationship between the variables.” “Table 8 below was presented to show the descriptive statistics on items relating to Control Environment. The findings were presented on table 8 below”:-

Table 8: Descriptive Statistics on Control Environment and Organizations performance

Control Environment	5	4	3	2	1	Mean (μ)	Standard deviation (σ)
Organizational set-up supports effective operations of internal control and financial reporting.	56 41.5%	51 37.8%	9 6.7%	5 3.8%	9 6.7%	3.576	0.765
Management philosophy and working style supports performance reporting	57 42.2%	57 43.8%	7 5.4%	5 3.8%	4 3.1%	4.025	0.857
The values of integrity and ethical behaviour are established in performance	60 46.4%	62 47.7%	3 2.3%	3 2.3%	7 5.4%	4.066	0.889
Are the Personnel qualified, properly trained and skilled in their performance?	50 37.0%	66 50.8%	6 4.6%	6 4.6%	2 1.5%	4.142	0.878
There are human resource policies and practices in place	61 45.2%	60 46.1%	4 3.1%	2 1.5%	3 2.3%	4.224	0.911
There is delegation of authority to enhance organizational performance.	59 43.7%	63 48.5%	2 1.5%	5 3.8%	1 0.8%	4.241	0.912
Are there policies and procedures that are documented for improving performance?	50 37.0%	69 53.1%	7 5.4%	2 1.5%	2 1.5%	4.191	0.893
There are Budgetary and reporting practices that provide benchmarks used to measure accomplishments.	45 33.3	57 43.8%	12 9.2%	10 7.7%	6 4.6%	3.912	0.815
Do checks and balances provide authority for certain functions to improve performance?	50 37.0%	55 42.3%	15 11.5%	5 3.8%	5 3.8%	3.947	0.838
Does management periodically perform an assessment of the entity's actual performance?	65 48.1%	60 46.2%	2 1.5%	2 1.5%	1 0.8%	4.397	0.926
Internal control process and requirements are in place and implemented effectively	44 32.6%	65 50.0%	15 11.1%	5 3.7%	1 0.8%	3.979	0.835
There is commitment to professional work practices and standards	40 29.6%	77 59.2%	10 7.7%	1 0.8%	2 1.5%	4.401	0.939
Have Managers been provided with clear duties?	60 44.4%	65 50.0%	1 0.7%	1 0.7%	2 1.5%	4.432	0.943
Average Mean and Standard Deviation						4.109	0.877

Source: *Primary Data, 2017*

“Table 8 above shows that there was no mean nearer to 1 and 2. The entire mean was nearer to 4 and 5, implying that all the respondents agreed with a positive relationship between Control environment and Organizational Performance. The standard deviation for all the study elements is shown to be less than 1, indicating that it was a lower deviation from the mean and as such supporting the results that control environment affects organizational performance.”

On qualitative analysis, one of the respondents said:

“At DRC, the control environment is well defined. The foundation of internal control at DRC is the ethical code of practice, which sets the strength of controls at all levels of the organization, including the field operations. Also good governance from the top level of management through the operational level is a day-to-day practice. This makes DRC a very accountable and transparent NGO among the international NGOs in Uganda. This foundation enables the organization (DRC) achieve its desired objectives with minimum supervision, although there may be some minimal gaps (BA/007, Interview guide).”

“The qualitative analysis indicated that at DRC, control environment is not only said to be implemented, but it is seen to be implemented at all levels of management.” “The respondents in totality expressed an agreement with level of control environment as a pillar in the organization, which in turn has enabled the organization achieve the desired performance.”

4.4.2.1 Correlation analysis on Control Environment and Organisational Performance of the Danish Refugee Council

“The correlation analysis tested whether the alternative hypothesis (H_1): control environment significantly affect organizational performance positively. A correlation analysis was tested as shown on the table below”:

Table 9: Correlation Results Controls Environment and Organizational Performance

		Control Environment	Organizational Performance
Control Environment	Pearson Correlation (2-tailed) sig.	1	.877**
	N	130	130
	Pearson Correlation Sig.(2-tailed)	.877**	1
Organizational Performance	N	.000	130
		130	

** Correlation is significant at 0.01 levels (2-tailed).

Source: Primary study Data, 2017

“Table 9 above represents Pearson’s correlation coefficient ($r= 0.877^{**}$), showing that control environment significantly influences organizational performance positively. The Pearson’s correlation Coefficient ($r=0.877^{**}$) at the significance level ($P=0.01$), which is less than significance ($P=0.05$), implying that that control environment affects organizational performance. The Null Hypothesis at significance level ($P=0.05$) was rejected and the alternative Hypothesis at a significant level ($P=0.01$) was accepted.

This analysis did not tell the extent relationship between the two variables.” “The Coefficient of determination (R) was used to determine the extent of relationship as shown on table 10 below”:

Table 10: Coefficient of determination on regression analysis

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.877	0.189		10.176	0.000
Control environment	0.811	0.041	0.703	8.546	0.000

Model Summary

Mode	R	R Square	Adjust R Square	Std. Error of Estimate
1	0.877 ^a	0.769	0.770	0.2302

Source: Primary study Data, 2017

a. Predicators: (Constant), Control environment

Table 10 above

shows the value for

adjusted R Square of 0.770, representing the squared linear correlation of (R = 0.877) on control environment and organizational performance.” “This representation implied that control environment is able to accounts for 77.0% (0.770 *100) of organizational performance and 23.0% accounted for by other factors.”

4.4.3 Effects of Control Activities and Organization performance

“In this objective, the study used a Likert scale to collect data, which was coded as shown on table 11 below in such a way that one representation of (strongly agree = 5, agree = 4, not sure = 3, disagree = 2, and strongly disagree = 1) were used.” “The mean nearer to 4 and 5 means that the respondents have agreed of the relationship between the variables, the mean nearer to 3 is neutral, the mean nearer to 1 and 2 means that the respondents disagreed with the relationship between the variables.” “Each respondent freely choose the best answer from the Likert scale.” “A mean (μ) and Standard Deviation (σ) were used to analyse and interpret the results obtained from responses.” “The smaller the standard deviation means the responses were closer from the respondents, and thus agreed with the relationship between variables.”

Table 11: Descriptive Statistics on Control activities and Organizations performance

Control Activities	5	4	3	2	1	Mean (μ)	Standard deviation (σ)
There are physical controls of assets of the organization to ensure internal control.	51 37.8%	72 53.3%	5 3.7%	1 0.7%	1 0.7%	3.996	0.894
All employees are ensured to have full segregation of duties to ensure internal controls and safeguards of assets in accordance with established policies and procedures.	55 40.7%	68 50.4%	3 2.2%	2 1.5%	2 1.5%	3.997	0.897
All workers must ensure performance reviews are conducted on all their activities in order to support internal control to enhance organizational performance	51 37.8%	70 51.9%	2 1.5%	3 2.2%	4 3.0%	3.941	0.853
Top Management enforce segregation of duties on activities to internal control	63 46.7%	60 44.4%	2 1.5%	2 1.5%	3 2.2%	4.541	0.756
Top Management periodically carry out performance reviews and evaluation of project	60 44.4%	61 45.2%	1 0.7%	2 1.5%	6 4.4%	3.995	0.881
The organization conducts physical checkups on assets to ensure physical controls on assets.	53 39.3%	66 48.9%	4 3.0%	4 3.0%	3 2.2%	3.917	0.849
segregation of duties ensured to enhance control activities, to improve internal control	66 48.9%	54 40%	5 3.7%	4 3.0%	1 0.7%	3.998	0.893
Audit committee is in place to enforce internal control by enforcing performance reviews.	50 37.0%	61 45.2%	10 7.4%	6 4.4%	3 2.2%	3.701	0.999

Top management periodically reviews internal audit policies and procedures in order to enhance physical control of assets	61 45.2%	63 46.7%	4 3.0%	1 0.7%	1 0.7%	4.001	0.798
Internal Audit reports are reviewed and discussed quarterly to ensure effective implementation of segregation of duties, physical controls and performance reviews	60 44.4%	63 46.7%	4 3.0%	2 1.5%	1 .07%	3.999	0.799
Internal Auditors are independent and objective to ensure segregation of duties, and physical controls	66 48.9%	61 45.2%	1 0.7%	1 0.7%	1 0.7%	4.671	0.659
Internal Audit department is staffed with qualified staff to ensure performance reviews	60 44.4%	63 46.7%	0 0%	5 3.7%	2 1.5%	3.987	0.986
Average Mean and Standard Deviation						4.062	0.855

Table 11: Description statistics of Control Activities on organizational Performance

Source: Primary data, 2017

“Table 11 above revealed that there was no disagreement in the responses on control environment and organizational performance since there was no mean nearer to 1 and 2 that show disagreement on the effects of control activities and organizational performance.” “Further, mean responses on all the elements of the study were nearer to 4 and 5 indicating that all the respondents were in agreement with the relationship between the two variables. Standard deviation (σ), was less than + 1.0; implying implied that the respondent deviation from the mean was lower.” “The lower standard deviation (σ) from the mean is evidence that respondents agreed on the relationship between the two variables. “On average the study revealed an average mean of 4.062, which is nearer to 4, implying that a majority of respondents were in agreement that the independent variable, affects the dependent variable.” “The average standard deviation of 0.855 suggests that the deviation is less than +1.0.” “The smaller the standard deviation (σ) from the mean indicate a stronger effect of control activities on organizational performance of DRC based on the responses in each element on the Likert scale.”

On the qualitative analysis, one respondent when interviewed gave the following response:

“Control at the Danish Refugee Council (DRC) is the order of the day. All transactions are planned, budgeted for, and work plans on all activities at a particular given date are produced to guide the spending and the management of assets to be deployed in performing such activities/or tasks. I am not ashamed to announce that the DRC has always excelled in the performance of the desired tasks due to its strict adherence to internal controls (BA/101, Interview guide).”(ESR/004, Interview guide)....”

“The above statement indicates that Control Activities correlates with Organizational Performance.”

“This is supported by the fact that at the DRC, segregation of duties is enhanced as a tool to aid internal control, which is followed by periodic reviews of organizational performance aimed at finding out whether the policies so established are adhered to.”

“At the DRC, segregation of duties, physical control and performance reviews are some of the constructs that have been set within the policies to underpin control activities in order to enhance performance.”

4.4.3.1 Correlation analysis on Control Activities and Organisational Performance of the Danish Refugee Council

The Null Hypothesis (H₀): Control Activities have no significant positive effect on organizational performance was rejected, and, the alternative Hypothesis (H₁): Control Activities have a significant positive effect on organizational performance was investigated.

Table 12: Pearson’s Correlation Coefficient to test the relationship

		Control Activities	Organizational Performance
Control Activities	Pearson Correlation	1	.855**
	(2-tailed) Sig.		0.001
	N	130	130
Organizational Performance	Pearson Correlation	.855**	1
	Sig.(2-tailed)	.001	
	N	130	130

** Correlation is significant at 0.01 levels (2-tailed).

Source: Primary study Data, 2017

“Table 12 above represents correlation coefficient ($r = 0.855^{**}$), showing effects of Control Activities on Organizational Performance.” “The Coefficient ($r=0.855^{**}$) at the significance level ($P=0.01$) was less than significance ($P=0.05$), implying that control activities significantly influence organizational performance positively. The Null Hypothesis at a significance level ($P=0.05$) was rejected and the alternative Hypothesis at a significance level ($P=0.01$) was accepted.”

“This analysis did not tell the extent to which control activities affect organizational performance.”

“The Coefficient of determination was used to determine the extent to which control activities affect performance.

Table 13: Coefficient of determination of regression analysis on Control Activities and Organizational Performance

Coefficients^a						
Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	
	B	Std. Error	Beta			
1	(Constant)	1.855	0.191		10.713	0.000
	Control Activities	0.846	0.043	0.815	9.811	0.000

a. Dependent Variable: Organizational Performance

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of Estimate
1	.855 ^a	.731	.730	.212

a. Predictor: (Constant), Control Activities

Source: Primary study Data, 2017

“Table 13 above shows a linear regression analysis that indicates a standardized coefficient of 0.855 correlations between control activities and organizational performance.” “This coefficient is higher;

meaning that Control Activities positively affects organizational performance.” “This analysis statistically imply that control activities significantly affect organizational performance at significance level ($P=0.01 < P= 0.05$. Too, adjusted R square = 0.733, translating to 73.3% variations from the mean on organizational performance being explained by control activities, and the balance of 26.7% is explained by other variations.” “The above analysis and interpretation imply that control activities significantly affect organizational performance.

4.4.4 Information and Communications on the Organizational performance of the DRC

“The respondents were tagged to the elements of study shown in the descriptive statistics on table 14 below.” “The analysis was interpreted by the mean and standard deviation (σ).” “The mean nearer 1 and 2 indicate disagreement, while the mean nearer to 4 and 5 show agreement from the respondents in respect of the effect of information and communications influencing organizational performance, and the mean nearer to 3 showed neutrality of the respondents. The smaller the standard deviation (σ) from the mean, results into a significant positive effect of the independent variable on the dependent variable, and the bigger the standard deviation from the mean, indicate the effect is less strong. “Neutrality in standard deviation means that there is neither strong positive effect nor negative effect. The study used a 5 point Likert scale to determine opinion of respondents on effects of information and communication on organizational performance (where , for “‘Strongly Agree’; 4, for “‘Agree’; 3, for “‘Neutral’; 2, for “‘Disagree’ and 1, for “‘Strongly Disagree’). “This table is set with the elements in form of statements that needed respondents to give responses.”

Table 14: Description statistics of respondents’ opinion on the effects of Information

Information and Communications	5	4	3	2	1	Mean (μ)	Standard deviation (σ)
The organization has effective information and technology systems to provide accurate information and reliable systems for the beneficiaries	52 38.5%	74 54.8%	0 0%	2 1.5%	2 1.5%	4.716	0.982
Information and Communications technology is an asset of the organization and effectively safeguarded.	50 37.0%	70 51.9%	5 3.7%	2 5.2%	3 2.2%	3.873	0.899
The organization has adequate Information and Communication Systems identified, captured and exchanged	55 40.7%	67 49.6%	3 2.2%	4 3.0%	1 0.7%	3.875	0.981
The Organization gives a feedback on any Information and Communications undertaken	60 44.4%	60 44.4%	6 4.4%	2 1.5%	2 1.5%	4.113	0.889
The organization has a written Continuity Of Operations Plan (COOP) in case of a major disaster communicated to all staff.	61 45.2%	64 47.4%	4 3.0%	1 0.7%	0 0%	4.487	0.901
The Organization periodically tests and restores the backup files to ensure the retrieving of required information to be communicated.	65 48.1%	58 42.9%	5 3.7%	1 0.7%	1 0.7%	4.296	0.972
Information and communications technology allows and supports the understanding/ implementation of internal control goals and processes	63 46.7%	53 39.3%	9 6.7%	1 0.7%	4 3.0%	3.989	0.989
Information and communications technology is gradually constructed to ensure operational performance, financial reporting, reliable and legal compliance	65 48.1%	61 45.2%	2 1.5%	1 0.7%	1 0.7%	4.569	0.994

Information and communications technology environment influences the quality of internal control adaptation	60 44.4%	65 48.1%	1 0.7%	3 2.2%	1 0.7%	4.397	0.956
Information Communications channels are effectively in operation	64 47.4%	62 45.9%	1 0.7%	1 0.7%	2 1.5%	4.392	0.957
Access to information and Communication resources in the organization is a principal of the day to day operations	63 46.7%	60 44.4%	4 3.0%	2 1.5%	1 0.7%	4.432	0.991
Employees receive information and communicate upwards and downwards	62 45.9%	62 49.9%	2 1.5%	2 1.5%	2 1.5%	4.394	0.993
Average Mean (μ) and Standard deviation (σ)						4.006	0.969

Source: Primary study Data, 2017

“On table 14 above, responses were coded accordingly following the questionnaire, from where the mean (μ) and standard deviation (σ) were calculated to analyze and interpret the results presented.”

“A total of 130 effective responses were dully returned out of the 135 distributed questionnaires, translating to 96.3% returned.” “All the responses tagged to each element of the study showed the mean nearer to 4 and 5 implying respondents were in agreement with significant positive effect information and communications have on organizational performance of the DRC. There was no mean nearer to 3 and 1 Ind 2, implying that there was no neutrality and disagreement in the part of the respondents on information and communications and organizational performance.”

“Consequently, lower standard deviation (σ) from the mean, which is less than +1.0, implied that the respondents were in agreement with the hypothesis that information and communication significantly influence performance of the international NGOs in Uganda, using the DRC positively. A higher standard deviation means the independent variable has no significant positive effect.” “Since table 14 above shows the mean of 4.006 and the standard deviation of 0.969, it therefore means the respondents were in agreement with the influence of information and communications on performance of DRC positively.”

Qualitative analysis was explored where one of the respondents interviewed gave said this:

“The DRC has been an International NGO in Uganda for the last 20 or so years because it has a bank of information on emergencies and consequently communicating the said information to its workers and allows both vertical and horizontal communications to enable the management of its desired goals and objectives. This means that the DRC has readily available information to communicate to its workers and other stakeholders, and thus achieving its desired objectives; by the fact it influences internal controls (BA/021, Interview guide).”

The DRC has a unique information identification technology system, which information, when effectively communicated influences internal control.” “Needless to say, information capture at the DRC supports information and communications dimension, and as a result influencing internal controls at the DRC.”

4.4.4.1 Correlation analysis on Information and Communication and Organisational Performance of the Danish Refugee Council

“The correlation analysis was to investigation on the alternative Hypothesis (H₁) using Pearson Correlation Coefficient.

Table 15: Correlation analysis on the effect of Information and Communications and organizational performance

		Information and Communications	organizational Performance
Information and Communication	Pearson Correlation	1	.969**
	(2-tailed) Sig.		0.000
	N	130	130
Organizational Performance	Pearson Correlation	.969**	1
	Sig.(2-tailed)	0.000	
	N	130	130

** Correlation is significant at 0.01 levels (2-tailed).

Source: Primary study Data, 2017

“On table 15 above, Pearson’s Correlation Coefficient ($r = 0.969$) is deduced to explain the correlation that subsists between information and communication and organizational performance. The Correlation Coefficient ($r = 0.969$) at a significance level ($P = 0.01 < P = 0.05$), indicates that information and communications significantly affect organizational performance positively.

“This analysis did not give the extent to which information and communication dimension affects organizational performance.” “The magnitude to deduce the extent to which information and communication affects organizational performance was computed using linear regression analysis to determine coefficient of determination (R) as shown below”:

Table 16: Linear Regression analysis on Information and Communication and Organizational Performance

Coefficients ^a						
Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	
	B	Std. Error	Beta			
1	(Constant)	1.969	0.196		10.451	0.000
	Information and Communications	0.911	0.162	0.716	9.797	0.000

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of Estimate
1	0.969 ^a	0.939	0.940	0.212

a. Predictor: (Constant), Information and Communications

Source: *Primary study Data, 2017*

Analysis and Interpretation

“Table 16 above gives the value for adjusted R Square of 0.944 represent the squared linear correlation on information and communication, and Organizational Performance.” “This implied that information and communication is able to accounts for 94.4% ($0.944 * 100$) of Organizational

Performance and 5.6% are accounted by other factors.”

CHAPTER FIVE

SUMMARY, DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter covers summary, discussion, conclusion and recommendations. “The chapter is presented objective by objective and based on the findings.” “This chapter however, summarises all the information collected from chapters one through four.”

5.2 Summary of the Findings

Summaries have been presented according to the objectives of the study.

5.2.1 Control Environment and Organisational Performance

“The first objective examined the effects of control environment on the organisational performance of the Danish Refugee Council (DRC).

The corresponding hypothesis of the study was tested and it revealed that control environment influences the performance of international NGOs in Uganda.

The study established that control environment has a significant positive effect on the organisational performance of the Danish Refugee Council.”

5.2.2 Control activities and Organisational performance

“The second study objective was to assess the effects of control activities on organisational performance at the DRC.” “The corresponding hypothesis to this study objective tested and it revealed that there was a significant positive effect of control activities on organisational performance of the Danish Refugee Council.” “The study established therefore that control activities have significant positive effect on organisational performance of the DRC.”

5.2.3 Information and communications dimension and organizational performance

Objective three was examined and it revealed that information and communication affects performance of the international non-governmental NGOs in Uganda positively. “The corresponding

hypothesis reveals information and communication significantly affect organizational performance of international non-governmental NGOs positively.

The study established that Information and communication significantly influence the performance of the DRC positively.

5.3 Discussions of Findings

The discussions were based on the study objectives.

5.3.1 Control environment and organizational performance

"The survey uncovered that control environment had a noteworthy constructive outcome on the organisational performance." "The discoveries suggest that control environment as a measurement of internal control significantly impacts on organisational performance positively." "These discoveries were predictable with of discoveries of COSO (2013) that show; Control environment is an arrangement of approaches and methods that must be followed in the usage of internal controls inside an establishment so as to improve a positive performance. Further, it indicates that Control environment makes a mood inside which an internal control framework can work at all levels of the organisation to achieve the coveted goals and consequently organisational performance, and it involves uprightness, moral esteems, and ability and Accounting Officer's direction."

5.3.2 Control Activities and Organizational Performance

"The survey uncovered that control activities had a noteworthy beneficial outcome on performance of the DRC. The discoveries suggest that control activities impact organisational performance positively. These discoveries were in accordance with the discoveries of (Kgabo, 2013) who assert that control activities help guarantee that fundamental moves are made to address risks and accomplishment of the organisation's targets accordingly achieving organisational performance. Besides, these discoveries were additionally steady with the discoveries of (Visser and Erasmus, 2008; INTOSAI, 2009; 2013)." "The researchers presented that internal control framework contains certain control activities that impact organisational performance since they incorporate arrangements and systems concerning endorsement, approval, check, compromise, audit of operational exercises,

protecting of benefits, and isolation of obligations, which are the activities set up through approaches and strategies that guarantee that administration's mandate is to alleviate risks so as to accomplish the coveted goals and subsequently, accomplishing organisational performance.

5.3.3 Information and Communications and Organizational performance

"The study uncovered that information and communication had a noteworthy constructive outcome on performance of the DRC." "The hypothesis tested and the discoveries suggest that information and communication significantly impact performance of the Danish Refugee Council positively. These discoveries were in accordance with the discoveries of DiNapoli, (2007) and INTOSAI, (200; 2009; 2013), who state that Information and Communication (IC) are basic to understand the internal control goals of an organisation; which information and communication ought to be proper, auspicious, present, precise and in that capacity available, solid and pertinent. They additionally contend that information and communication ought to be conveyed to the partners; for instance, administration and laborers, who require it in the shape and within a time span that encourages them to complete their internal control obligations regarding the reason for accomplishing organizational performance as desired.

5.4 Conclusions of Findings

Conclusions were presented objective by objective based on findings.

5.4.1 Control Environment and Organizational Performance

Findings indicated that performance can easily be enhanced when control environment is put in place and enforced purposely to achieve organisational performance." "The study showed that control environment accounts for 77% of organisational performance while other factors accounted for 23% of organisational performance." "The study concluded therefore that control environment affects fraud management at the Danish Refugee Council."

5.4.2 Control Activities and Organisational Performance

“The findings on the study indicate that control activities significantly influence organisational organizational performance positively.” “The study findings further indicate that when control activities are in place and enforced, Organisational performance is enhanced.” “The study concluded that control activities account for 73.0% of Organisational performance and other factors account for 27% of organizational performance; implying that improvement on control activities would significantly influence organizational performance positively. “The study further concluded therefore that control activities affect organizational performance at the Danish Refugee Council.”

5.4.3 Information and Communications and Organizational Performance

“This objective examined the effects of information and communication on organizational performance at the DRC.” “The findings revealed that information and communications significantly influence organisational performance significantly. The findings concluded that information and communications accounts for 94.4% of organizational performance and 5.6% variance were accounted for by other factors

5.5 Recommendations on the Findings

These are based on findings and on each objective.

5.5.1 Control environment and organizational performance

- DRC and other willful part associations ought to guarantee compelling execution consistently by guaranteeing powerful controls.
- Management of International Non-Government Organizations in Uganda should structure their individual associations to guarantee execution.
- Global Non-Government Organizations in Uganda ought to every now and then survey and review internal controls.
- DRC and other intentional NGOs ought to at any one given time guarantee that all the six components of interior control Environment are powerful surveyed and examined.
- Managements of International Non-Government Organizations in Uganda should structure their individual organisations to give confirmation that the element works successfully and

proficiently, and ought to guarantee that it has a solid money related revealing framework and agrees to relevant laws and directions."

- International Non-Government Organizations in Uganda periodically survey and review control condition to decide hazards and discoveries conveyed to the concerned stakeholders for action.
- Management of International Non-Government Organizations in Uganda should structure their individual organizations to ensure performance.
- "International Non-Government Organizations in Uganda should from time to time review and audit internal controls.
- "DRC and other voluntary sector organizations should at any one given time ensure that all the six elements of internal control Environment are effective reviewed and audited.
- "Management International Non-Government Organizations in Uganda should structure the organization to provide assurance that the entity operates effectively and efficiently, and should ensure that it has a reliable financial reporting system and complies with applicable laws and regulations."

5.5.2 Control Activities and Organizational Performance

- **International** NGOs should guarantee exhibition of execution and hazard adequacy, where the Board ought to occasionally be furnished with an appraisal of viability of control exercises, and guaranteeing that execution ought to be checked against targets and pointers recognized in the organisations goals.
- There is need to strengthen control activities, and the entire internal control systems, the DRC should ensure and enforce such a need.

- "International NGOs need to deliberate exertion towards a monetary and specialized help to set up a maintained Human Resource advancement program inside the NGOs segment to bridle Control activities. This is an emphasis on individuals instead of cash for ventures and welfare."
- "There is a solid requirement for Human Resources preparing and advancement to guarantee a feeling of responsibility and obligation inside the NGOs specialists to improve control activities"

5.5.3 Information and communications and organizational Performance

- "International Non-Government Organizations in Uganda should improve upon information and knowledge management in terms of generating information, storing it, disseminate it appropriately to the required implementers and beneficiaries, and await the responsiveness for action."
- "International Non-Government Organizations in Uganda should ensure improvement of feedback on service delivery by launching a platform to monitor and track service delivery in the operational areas in order to take action in case of any gaps."
- "International Non-Government Organizations in Uganda should ensure that relevant and quality information is available at all times to support controls and decision making."
- "International Non-Government Organizations in Uganda should ensure that control exists."
- "International Non-Government Organizations in Uganda should ensure an effective system of external communication exists."

5.6 Contributions of the study

"The study has a theoretical contribution by its addition to the body of knowledge as this work will be referenced by the future researchers and it also confirms the work of previous scholars as being right in their assertions on the study topic." "Additionally, on the applied contribution, the findings

and recommendations can be used by the by the DRC as the case study and other international NGOs in Uganda to improve upon their organizational performance.”

5.7 Suggestions for further research

- “The role of Governance and Accountability on International NGOs in the post-Independence Uganda: A case of the Danish Church Aid.”
- “The Contribution of Management Control on the performance of Local NGOs in Uganda. A case of the Uganda Debt Network.”

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APPENDICES

Appendix A: Questionnaire

Dear respondent,

I am Becky Aitaru; Registration No. 14/MBA/11/034, a participant at Uganda Management Institute – Kampala main campus in the faculty of Management Science, pursuing a degree of Masters in Business Administration. I am conducting a research on the topic; *“Internal Controls and Performance of International non-governmental organizations in Uganda: a case of the Danish refugee council in Uganda”*. “This questionnaire is to help me gather data that will enable me make conclusions and recommendations.” “Your Participation to this exercise will be ethically treated with the confidentiality.”

Tick the most appropriate

1. To which Age bracket do you belong?

a) 21-30 b) 31-40 c) 41-50 d) 51-60 e) 61 and above

2. What is your Gender?

a) Male b) Female

3. What is your highest level of educational attainment?

a) Certificate b) Diploma c) Degree d) Master Degree

e) PhD f) others Specify.....

Appendix A1: Questionnaire on Internal Controls

This table shows the rating of performances by the Danish Refugee Council. You are kindly requested to rate these performances as specified, in the Likert Scale by ticking your correct choice: 5 for strongly agree; 4 for agree; 3 for Not Sure; 2 for Disagree and 1 for Strongly Disagree

Internal Control	5	4	3	2	1
Control Environment					
Organizational set-up supports effective operations of internal control and financial reporting.					
Management philosophy and working style supports performance reporting					
The values of integrity and ethical behaviour are established					
The Personnel are qualified and properly trained in order for control procedures to operate in the manner intended.					
There are human resource policies and practices in place					
There is delegation of authority to enhance performance.					
There are Policies and procedures that are documented that provide a basis for improving organizational performance.					
There are Budgetary and reporting practices that provide benchmarks used to measure accomplishments.					
Organizational checks and balances provide authority for certain functions that minimize the potential for waste, fraud, abuse or mismanagement.					
Management periodically perform an assessment of the entity's actual performance against desired performance					
Internal control process and requirements are in place and implemented					
There is commitment to professional work practices and standards					
Managers have been provided with clear responsibilities from the governing board or top management					
Responsibilities segregated so that no single employee controls all phases of a transaction					
There are adequate policies and procedures for authorization and approval of transactions at the appropriate level.					
There is a reporting structure at the Danish Refugee Council					

In your Opinion, does ethical code of practice influence organizational performance?
 Give reasons for your answer

.....

Does Good Governance Impact on organizational performance? Comment on your answer

.....

Control Activities	5	4	3	2	1
There are physical controls of assets of the organization to ensure internal control.					
All employees are ensured to have full segregation of duties to ensure internal controls and safeguards of assets in accordance with established policies and procedures.					
All workers must ensure performance reviews are conducted on all their activities in order to support internal control to enhance organizational performance					
Top Management undergo enforce segregation of duties, on activities to internal control					
Top Management periodically carry out performance reviews and evaluation of project					
The organization conducts physical checkups on assets to ensure physical controls on assets.					
Workers ensure segregation of duties to enhance control activities in order to improve internal control					
Audit committee is in place to enforce internal control by enforcing performance reviews.					
Top management periodically reviews internal audit policies and procedures in order to enhance physical control of assets					
Internal Audit reports are reviewed and discussed quarterly to ensure effective implementation of segregation of duties, physical controls and performance reviews					
Internal Auditors are independent and objective to ensure segregation of duties, and physical controls					
Internal Audit department is appropriately staffed with qualified staff to ensure performance reviews					

Do you think physical controls influences control activities to enhance organizational performance? Support your answer.

In your opinion do you think segregation of duties enforces control activities in order to enhance internal controls? Give reasons Support your answer.

.....

In your opinion, do you think performance reviews have a role strengthening control activities to enhance internal controls? Give reasons to support your answer.

.....

Information and Communication	5	4	3	2	1
The organization has effective information and technology systems to provide accurate information and reliable systems to employees and beneficiaries.					
Information and Communications technology is an asset of the organization and effectively safeguarded.					
The organization has adequate Information and Communication Systems identified, captured and exchanged					
The Organization gives a feedback on any Information and Communications undertaken					
The organization has a written Continuity Of Operations Plan (COOP) in case of a major disaster communicated to all staff.					
The Organization periodically tests and restores the backup files to ensure the retrieving of required information to be communicated.					
Information and communications technology allows and supports the understanding/ implementation internal control goals and processes					
Information and communications technology is gradually constructed to ensure operational performance, financial reporting, and reliable and legal compliance					
Information and communications technology environment influences the quality of internal control adaptation					
Information Communications channels are fully in operational					
Access to information and Communication resources of the organization is a principal of the day to day operations					
Employees receive information and communicate upwards and downwards					
Specific lines of authority been communicated throughout the organization?					
Reporting policies in place to ensure effective internal control					
Reporting timelines often met due to effective Information and communication systems capture.					

Does information identification technology system have a positive impact on internal control? Yes or No? Give reasons to support your choice.

.....
.....

In your opinion does Information Capture support information and communication, thus influence internal controls? Give reasons for your answer.

.....

In your opinion does information exchange support information and communication, and thus influencing internal control? Give reasons for your answer

.....

Thank you very much for your attention

Appendix B: Interview Guide/Schedule

Dear Respondent,

I am Becky Aitaru, a participant at Uganda Management Institute, pursuing a Masters program in Business Administration, conducting a study on Internal Controls and Performance of International non-governmental organizations in Uganda using a case of Danish Refugee Council. Kindly give me your attention for a few minutes. I promise our discussions will be confidential.

1. What is your name please? (Optional)

.....

2. What is your occupation?

.....

3. What is your age?

.....
.....

4. What is your educational level?

.....
.....

5. Is the organization having operational policies in place? If yes what are such policies?

.....
.....
.....

6. Is the Governance active and effective? If yes how?

.....
.....

7. Does the service provider (DRC) deliver services as promised?

.....
.....

8). Are the controls put in place operational? If yes how?

.....
.....
9). Are the equipment and facilities in good condition to enable effective capture of information and communication in the organization?

.....
.....

10). Do you face any challenges and inconveniences with the internal controls performance? If yes, what are they?

.....
.....

11). Have you ever thought of leaving the organization because of these challenges? Give reasons for your answer

.....
.....

12). In summary, are the controls effective to ensure a significant positive organizational performance?

.....
.....

Appendix C: Documentary Review Checklist

This list consists of the following documents that the researcher is interested to review:

- a) Compliance review reports for 2015, 2014 and 2013
- b) Audit Reports of both internal and external Auditors for 2015, 2014 and 2013
- c) Policies such as Human Resource, Accounting, and procurement
- d) Schedule of Internal staff training and development for 2015, 2014 and 2013
- e) Annual Reports for 2015, 2014 and 2013
- f) General Top Management Minutes on the Organization for 2014, 2013 and 2012

Appendix D work plan and time frame

Activity	Duration	Dates
Preliminary investigations and Recruitment and training of the Data collection assistants	1 week	15th -22nd October , 2016
Proposal Defense	3 Days	23th - 26th October, 2016
Field Visits and familiarization of the DRC offices	2 Days	27th – 29th October, 2016
Data collection	1 Weeks	30 th – 5 th Oct, 2016
Proposal Writing that involve data analysis, presentation and interpretation and Defense	2 Weeks	6 th November – 20 th November, 2016
Dissertation submission, defending and presentation	1 Week	17th November – 27 th November, 2016

Appendix E: Budget Frame

Item	Quantity	Unit Cost (UGX.)	Total Cost
Subsistence Allowance	2 months	350,000	700,000
Honorarium	2 persons	200,000	400,000
Travel (Motorcycle –Boda boda)	30 days	15,000	450,000
Data Analysis using data SPSS	1 person	400,000	400,000
Secretarial services in processing research instruments and reports	1 person	200,000	100,000
Printing and Photocopying	500 Pages	100 per page	50,000
Report production (Binding)	4 Copies	25,000	100,000
Other Expenses(Unpredicted expenses)	N/A	N/A	200,000
Total Costs			2,300,000

Appendix F: Letter from Uganda Management Institute