

Internal Control System and Financial Performance of Private Universities in Lira City,  
Northern Uganda

**Andrew Ogwang Okello**

**Dr. Robert Oguti Etengu**

**2023**

**Background:** The purpose of the study was to establish the effect of internal control system on financial performance in private Universities in Lira City, taking All Saints University Lira (ASUL) and Uganda Martyrs University as a case study. The study specific objectives were; to determine effect of control environment on financial performance, risk assessment on financial performance, and monitoring activities on financial performance in private Universities in Lira City, Northern Uganda. The study was underpinned by principal agency theory and contingency theory.

**Methods:** This research adopted a cross sectional research design in which quantitative data were collected and analysed using SPSS version 21. The target population comprised of 72 employees from the two private universities studied. From the Population, a sample size of 68 employees was generated based on census and simple random sampling approaches. Descriptive correlation analysis and multiple regression analysis were used to analyse data. The study was to find out whether private Universities in Lira City, Northern Uganda had adequate and effective internal control system which had elements such as; regular monitoring of activities, control environment and risk assessment.

**Findings:** The study found out that risk assessment and control environment did not have significant effect on financial performance but monitoring activities were found to have a positive significant effect on the financial performance of the institutions under study.

**Conclusion:** It was therefore concluded that the variable employed explained changes in financial performance of the two investigated private universities.

**Recommendations:** From the foregoing conclusion, this research recommended that internal control system among the institutions needed to be improved by putting in place standards, processes, and procedures to be followed to improve on financial performance, carrying out regular monitoring exercise to ensure that policies are being followed and for value for money is being realised in all transactions and lastly carrying out risk assessment and putting in place mitigation strategies like risk avoidance, risk transfer, risk sharing, risk testing etc.

**Key words:** Internal, Control, System, Financial, Performance, Private, and Universities