

**EXAMINING THE IMPACT OF INTERNAL AUDIT ON ORGANISATIONAL  
PERFORMANCE A CASE OF SAVE THE CHILDREN UGANDA**

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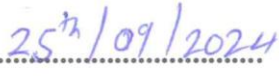
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**DECLARATION**

As per the university's values of integrity and diligence, I have not received any unauthorized assistance while working on this paper. I declare that the work is authentically mine and written the best of my knowledge with no traces of plagiarism or any other unethical practice.

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**APPROVAL**

This certifies that ANYAIT SCOVIA J22B33/062 completed her dissertation under my supervision and it is ready for submission

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Date..... 25/9/2024

## **DEDICATION**

My family has been the steadfast source of my determination throughout my academic path, and to them, I dedicate this study report. You have given me the drive and the discipline to attack any task with passion and determination. Their endless support and belief in my abilities have driven my determination to pursue excellence. I am forever grateful for their advice and inspiration.

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## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.0 Introduction**

This survey examined the impact of Internal Audit on Organizational Performance: a case of Save the Children Uganda. Performance within the organization was the dependent variable, while internal audit was the independent variable. This section includes the study's background, problem statement, purpose and objectives, research questions, conceptual framework, and study scope and Significance.

#### **1.1 Background to the Study**

Over time, internal auditing has undergone tremendous change. The evolution of the Internal Auditing Function (IAF) was described by Ramamoorti (2003), who pointed out that at first, the IAF was limited to financial compliance. By 1947, operational and performance characteristics of organizations were added to this responsibility by the Statement of Responsibilities of Internal Auditing. Sawyer (1981) defined internal auditing as an impartial evaluation procedure to guarantee policy compliance, resource efficiency, and alignment with company objectives.

Initially, the primary focus of internal auditing was financial audits to verify adherence to regulatory requirements and accounting standards. The early 20th century professionalization of the industry was greatly influenced by the 1941 founding of the Institute of Internal Auditors (IIA) (IIA, 2023). The function's purview was expanded to include operational and performance factors in 1947 with the release of the Statement of Responsibilities of Internal Auditing (IIA, 2023).

Internal auditing grew to include more tasks than just standard financial audits in the 1980s. According to Sawyer (1981), internal auditing is an impartial assessment procedure used to guarantee adherence to regulations and congruence with company goals. The increasing complexity of organizational contexts and the growing need for efficient risk management and control systems were the driving forces behind this change. The scope of internal auditing has expanded even further in recent advancements. Internal audit methods have benefited greatly from the integration of risk management and control procedures through the use of the

Committee of Sponsoring Organizations (COSO) framework (COSO, 2021). This framework takes into account the evolving needs of contemporary businesses and emphasizes the need for a complete approach to internal control, risk management, and governance.

Internal auditing is currently recognized as a critical function that adds value to business operations by improving them methodically and disciplinedly. According to the Institute of Internal Auditors (IIA, 2022), internal auditing provides objective, independent assurance along with advisory services that enhance governance, control, and risk management practices to help businesses reach their objectives.

International standards and frameworks that guarantee consistency and quality serve as the global guidelines for internal auditing practices. The IIA produced the International Standards for the Professional Practice of Internal Auditing (IPPF), which offer extensive guidelines for internal audit procedures (IIA, 2022). These principles highlight the importance of independence, objectivity, and professional skill in internal auditing.

The International Standards of Supreme Audit Institutions (ISSAIs), which provide guidelines relevant to public sector auditing, are issued by the International Organization of Supreme Audit Institutions (INTOSAI) in addition to the IPPF (INTOSAI, 2022). Because internal auditing procedures can be tailored to different national contexts, these standards are especially important in a variety of legal and cultural circumstances.

Significant financial scandals and legal reforms have also had an impact on the development of internal auditing. Prominent business scandals like those involving WorldCom and Enron brought attention to the need for stricter auditing procedures and tighter internal controls (Sarbanes & Oxley, 2002). In response, laws such as the Sarbanes-Oxley Act (SOX) were introduced to improve accountability and corporate governance (Sarbanes & Oxley, 2002).

The significance of internal auditing in maintaining organizational integrity and guaranteeing regulatory compliance was highlighted by these scandals. The heightened focus on internal controls and audit quality is indicative of a wider

movement in both the public and commercial sectors to improve accountability and transparency (Gramling, 2022).

Internal auditing procedures have changed dramatically in Uganda as well. Since its founding in 1997, the Office of the Auditor General (OAG) has been in charge of managing internal audits in both local and government ministries (OAG, 2023). Using financial and performance audits, the OAG is mandated to assess and enhance risk management, control, and governance systems (Deloitte, 2022).

In the Ugandan context, obstacles still exist despite advancements. The International Auditing Practice Statement (IAPS, 2003) emphasizes that an organization's size, risk profile, and complexity are among the elements that affect internal audit methods. The efficacy of internal audits in Uganda has been influenced by problems with compromised independence, inadequate finance, and scarce resources (CMI, 2023). Improving organizational performance and increasing the effectiveness of internal audits depend on addressing these issues.

The goal of recent campaigns and endeavors has been to tighten internal audit procedures and deal with these issues. For instance, continuing initiatives are being made to strengthen capacity building, raise funding for internal audit operations, and improve audit standards (World Bank, 2023). The aforementioned activities aim to bridge the current deficiencies and augment the efficacy of internal auditing inside Uganda, hence bolstering corporate performance and governance.

## **1.2 Problem Statement**

Internal auditing is a vital role that is implemented in organizations to offer impartial and unbiased evaluations of risk management, control procedures, and governance frameworks. Even though internal auditing is acknowledged as important, many firms struggle to maximize its capabilities in order to improve organizational performance. This study focuses on Save the Children Uganda's (SCU) internal audit procedures. SCU is a well-known global non-governmental organization (NGO) that works to better the lives of children and communities.

To support its purpose and operational success, Save the Children Uganda has made considerable investments in improving its internal audit systems in recent years. But

a number of problems have surfaced that call into question the effectiveness of these initiatives. One crucial part of SCU's internal control infrastructure, the Integrated Personnel and Payroll System (IPPS), for example, has faced ongoing operational and technological difficulties, such as network connectivity issues and integration problems with the Integrated Financial Management System (IFMS) (SCU, 2023). These problems have made financial and performance audits less effective, which may have an influence on the organization's capacity to meet its strategic objectives and uphold responsibility.

Save the Children Uganda has also encountered challenges in overseeing agricultural extension programs provided by the National Agricultural Advisory programs (NAADS). The performance of the program as a whole as well as project outputs have suffered from issues such improper handling and delivery of planting materials (NAADS, 2023). Regarding the effectiveness and sufficiency of internal audit procedures in managing operational and strategic risks, these difficulties point to a larger worry.

The necessity to assess Save the Children Uganda's internal audit practices' efficacy and their effect on organizational performance is the driving force behind this study. The goal of the study is to find weaknesses in audit processes and offer suggestions for strengthening them by looking at the internal audit function's independence, control mechanisms, and scope. To improve the organization's capacity to control risks, maintain compliance, and accomplish its goals, it is imperative that these concerns be understood.

### **1.3 The purpose of study**

The aim of the survey was to examine the impact of Internal Audit Practices on organizational performance: a case of Save the Children Uganda.

### **1.4 The Study Objectives**

**The study will be guided by the following objectives:**

- (i) To assess the scope of internal audit in Save the Children in Uganda.
- (ii) To examine the internal control system and reporting mechanisms in Save the

Children in Uganda.

(iii) To determine the independence of the internal audit function in Save the Children in Uganda.

### 1.5 Research questions

- (i) What is the scope of internal audit in Save the Children in Uganda?
- (ii) How is the internal control system and reporting function carried out in Save the Children in Uganda?
- (iii) What is the level of independence of the internal audit practices in Save the Children in Uganda?

### 1.6 Conceptual Framework

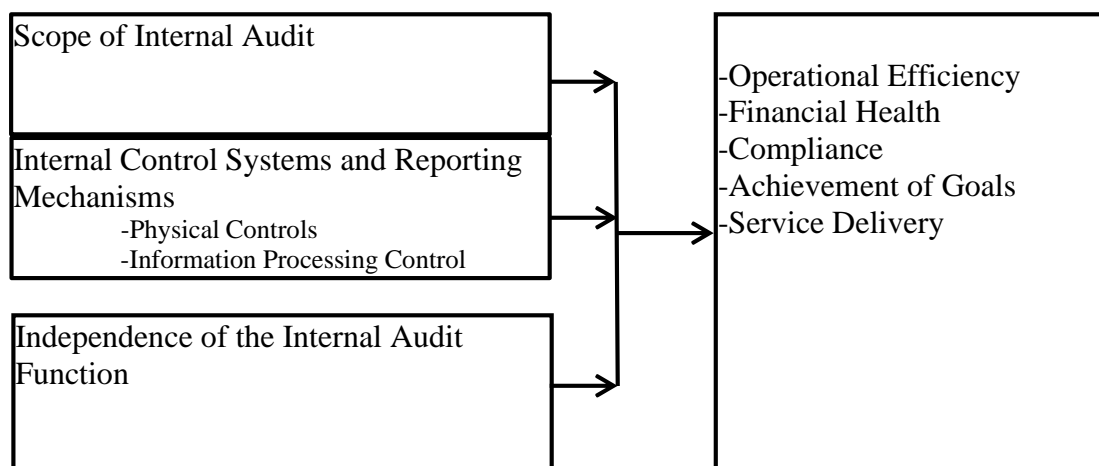
It illustrates the important feedback from performance arising from the Internal Audit provided, basing on the IA dimensions and constructs as shown below:

#### Independent Variable(IV)

#### Dependent Variable(DV)

Internal Audit (IV)  
Performance (DV)

Organizational



**Source:** Gramling, A. A., Maletta, M. J., Schneider, A., & Church, B. K. (2004). "The role of the internal audit function in corporate governance: A synthesis of the extant internal auditing literature and directions for future research." *Journal of Accounting Literature*, 23, 194-244. Modified by the researcher.

**Figure 1: Conceptual Framework for understanding the relationship between Internal Audit and Organizational Performance.**

- **Scope of Internal Audit:** By identifying and focusing on key risk areas and setting priorities, the internal audit function can ensure that significant issues affecting organizational performance are addressed. This leads to improved resource allocation and strategic focus, enhancing overall performance. IA Practices embraces the mandate and independence of internal audit, professional practice in internal audit and stakeholders support to enable a conducive environment for internal audit work to take place purposely to achieve Organizational performance through achieving its desired goals and objectives (Abdali,2012).
- **Internal Control Systems:** This dimension clicks on “People Management (Njui, 2012).” The dimension brings in physical controls of the organizations assets through competent leadership and skilled workers, professional internal audit standards in competent leadership in internal audit performance, competent staff and professional internal audit standards in order to enhance improved organizational performance through effective financial management, effective organizational performance, effective corporate governance, and effective compliance (Njui, 2012).
- **Independence of the Internal Audit Function:** Independence from management ensures that the internal audit function can objectively evaluate organizational processes and controls without bias. This enhances the credibility of audit findings and recommendations, leading to better decision-making and improved organizational performance.

## **1.7 Scope of the Study**

### **1.7.1 Subject Scope**

The study aims to establish the impact of internal audit practices on the performance of organizations. Specifically, it will analyze the internal audit practices used in Save the Children in Uganda, examine the relationship between internal audit practices and organizational performance, and assess the level of independence of the internal audit function in Save the Children in Uganda.

### **1.7.2 Geographical Scope**

The study will be conducted at Save the Children in Uganda, located at Plot 2163, Dadiri Close, Muyenga (off Tank Hill Road), P.O. Box 12018, Kampala - Uganda.

### **1.7.3 Time Scope**

The literature review will cover the period from May to August 2024. The data examined will span four years from the organization, providing sufficient time to establish a relationship between internal audit practices and organizational performance.

## **1.8 Significance of the Study**

**Academic Contribution:** The findings of this study will provide valuable insights for future research on internal audit practices and their impact on organizational performance.

**Practical Application:** Institutions can use the results to identify areas within internal audit practices that require improvement, enhancing overall efficiency and effectiveness.

**Skill Development:** The researcher will acquire essential research skills, including questionnaire development, data collection, and data analysis, which can be applied to other research projects.

**Policy Implications:** The study will provide crucial information to policymakers in Uganda, aiding in the formulation of policies that enhance internal audit practices and improve organizational performance, particularly within Save the Children in Uganda.

**Academic Requirement:** This study is part of the requirements for the researcher's Bachelor of Science degree in Accounting and Finance from Uganda Christian University.

**Managerial Insights:** Managers will benefit from the study's findings by implementing best internal audit practices to enhance organizational performance.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 Introduction**

A thorough analysis of the literature on internal audit procedures and how they affect organizational performance is provided in this chapter. In order to clarify the changing function of internal auditing, as well as its traits, authority, independence, and scope—and how all of these things improve organizational performance—the review incorporates both theoretical frameworks and current research. In order to give readers a more sophisticated understanding of the efficacy of internal auditing and its vital role in contemporary firms, this chapter will examine the most recent research and developing trends.

#### **2.1 Evolution and Overview of Internal Auditing**

The traditional emphasis of internal auditing was on financial compliance; however, it has a wider function that includes risk management, operational effectiveness, and governance. Internal auditing is described by the Institute of Internal Auditors (IIA, 2022) as an impartial, independent assurance and consulting activity that aims to improve an organization's operations by assessing and strengthening its risk management, control, and governance procedures. This updated viewpoint emphasizes how internal auditing aids businesses in accomplishing their goals and efficiently managing risks.

According to Friedberg (2023), internal auditing was first implemented in the early 1940s as a reaction to the swift expansion of organizations and the growing intricacy of their operations. Internal auditing began with a focus on financial oversight, but as organizational needs and legal constraints changed, the scope of its practice grew (Ramamoorti, 2023). Internal auditing's purview has expanded even further with the advent of frameworks like the Committee of Sponsoring Organizations (COSO) model, which emphasizes integrated risk management and control procedures (COSO, 2021).

The significance of internal auditing in promoting sound governance and operational effectiveness is highlighted by recent studies. According to Gansberghe (2021) and Woodard (2022) there is a correlation between increased financial performance,

compliance, and strategic alignment and effective internal audit operations. In addition to compliance, internal auditing now plays a more strategic role by delivering insights that promote value creation and organizational improvement (Leithhead, 2022; Simona & Elisabet, 2023).

## 2.2 Key Characteristics of Effective Internal Auditing

Internal auditing's efficacy can be evaluated using a number of crucial traits:

- **Independence:** Maintaining objectivity and credibility requires internal audit operations to be independent. Studies show that in order to offer objective assessments and suggestions, internal auditors must function independently of management influence (Sarens & De Beelde, 2022; Van Peurse, 2023). Internal auditors should be able to successfully confront management and have direct access to the audit committee, according to the IIA (2022).
- **Authority:** Within the organization, authority pertains to the internal auditor's capacity to obtain all pertinent data and assets. In order to fully carry out their responsibilities, internal auditors should have access to organizational records and be permitted to attend executive meetings, according to the IIA (2022). A functional internal audit function is able to assess and enhance risk management and control procedures when it has effective authority (Christopher et al., 2023).
- **Scope of Work:** Evaluate internal controls, risk management procedures, and governance frameworks are all included in the purview of internal auditing. According to recently established standards, internal audits have to be risk-based and concentrate on areas where there is the greatest possibility of influencing the performance of the company (CIIA, 2023; Rudd, 2022). Through this method, audit operations are synchronized with risk profiles and organizational priorities.
- **Professional Proficiency:** Being competent in internal auditing entails having the abilities and know-how required to carry out audits efficiently. Competency development, ongoing auditing, and performance assessment are three essential traits of high-functioning internal audit organizations that have been identified by recent studies (Acrons & Popanz, 2023; Burnaby & Hass, 2022). Maintaining audit effectiveness and keeping up with changing requirements requires constant training and professional growth.

### 2.3 The Scope and Priorities of Internal Audit Practices

The goal of internal auditing is to improve organizational performance through a wide range of activities. Internal audits concentrate on:

- **Risk Assessments:** According to Rudd (2022), internal audits give priority to risk assessments in order to detect and mitigate major risks that may have an effect on the success of the firm. To ensure the effectiveness of mitigation techniques, it is necessary to assess risk management practices.
- **Governance and Compliance:** An essential function of internal audits is to assess governance frameworks and guarantee adherence to legal and regulatory obligations (IIA, 2022). Good internal auditing procedures support organizations in following regulations and improving overall output.
- **Information and Decision-Making:** Internal audits evaluate the accuracy and consistency of data used to make decisions. Achieving organizational goals requires making sure that decisions are based on timely and correct information (Mallin, 2022).
- **Operational Efficiency:** According to recent research, internal audits increase operational efficiency by pinpointing problem areas and allocating resources as efficiently as possible (Gansberghe, 2021). To improve overall performance and efficacy, this entails assessing systems, procedures, and controls.

### 2.4 Authority and Independence of Internal Audit

For internal audits to be effective, authority and independence are essential. According to the IIA (2022), internal auditors ought to be able to access all pertinent data and be independent enough to offer objective evaluations. To guarantee effective communication of audit findings and management of potential conflicts of interest, the Chief Internal Auditor ought to report directly to the Audit Committee (Christopher et al., 2023).

According to recent studies, preserving independence can be difficult due to things like possible conflicts of interest and the possibility of developing tight ties with management (Sarens & De Beelde, 2022; Van Peurse, 2023). Maintaining the integrity and efficacy of the internal audit function depends on addressing these issues.

## **2.5 The Role of Independence of Internal Audit in Enhancing Organizational Performance**

To preserve the integrity of internal audits and guarantee the validity of their conclusions and recommendations, independence is essential. Research highlights the need for internal auditors to be impartial in order to deliver unbiased assessments (Cai Chun, 1997; Dumitrescu, 2004). The internal audit department's role within the company and its area of activity are defined by formalized principles and rules (IIA, 2022).

Overcoming obstacles including handling any conflicts of interest and maintaining relationships with management are necessary to maintain independence. For organizations to perform better and achieve their goals, internal auditors must be held to the highest standards of objectivity and integrity (Sarens & De Beelde, 2022; Van Peurseem, 2023).

## **2.6 Professional Competency and Fraud Detection**

Professionalism is necessary for internal auditing to be effective, especially when it comes to identifying and dealing with fraud. According to research, internal auditors who possess excellent analytical abilities and a thorough comprehension of organizational procedures are more likely to spot fraudulent activity (Herz & Schultz, 2022; Kaplan et al., 2010). Success as a fraud examiner is mostly attributed to conscientiousness and diligence, and continuing education and training are essential for retaining proficiency (Judge et al., 2022; Wells, 2023).

## **2.7 Internal Controls and Organizational Performance**

In order to accomplish corporate goals, guarantee the accuracy of financial reporting, and uphold regulatory compliance, internal controls are essential. According to Alkhasa (2013) and Ewa & Udoayang (2012), efficient internal controls contribute to asset protection, increased operational effectiveness, and improved performance overall. According to research by Ashbaugh, Collins, and Kinney (2006), companies with strong internal controls pay less for equity capital, while those with weak control experience higher expenses.

Studies also demonstrate how stakeholders' confidence is impacted by negative internal control attitudes. According to Schneider and Church (2008), unfavorable evaluations of internal controls have the potential to erode lenders' confidence in financial reports, so impacting the financial stability of the company.

## **2.8 Summary of Literature Review**

The literature evaluation attests to the importance of internal audit procedures in raising corporate performance. By assessing and enhancing compliance, internal controls, and risk management, internal audits support effective governance. The literature, however, is lacking in information about how internal audit procedures might help organizations succeed by addressing new problems.

Recent studies underscore the significance of preserving independence, authority, and professional competency while highlighting the changing role of internal audits. The assessment notes that additional research is required to fully understand the impact of internal audit methods on broader performance elements, organizational relationships, and the ways in which internal auditing can be used to manage new and emerging risks.

## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.0 Introduction**

This chapter describes the study approach taken to investigate how internal audit affects organizational performance, with a focus on Save the Children Uganda. It covers the study population, research design, sampling strategies, data collection and analysis procedures, and ethical guidelines followed throughout the investigation.

#### **3.1 Research Design**

This study will use a descriptive research approach in order to give a thorough explanation of how internal audit procedures affect organizational performance. Because it enables a thorough examination of the connection between internal audit and organizational performance using both qualitative and quantitative data, this design is ideal. An in-depth examination of Save the Children Uganda's internal audit procedures was made possible by the research's use of a case study methodology.

#### **3.2 Study Population**

Employees of Save the Children Uganda, including managers, internal auditors, finance officials, and other pertinent workers, made up the research population. This group was chosen because they have the expertise and experience required to offer insightful analysis of internal audit procedures and how they affect the performance of organizations. The interest population as a whole consisted of roughly 46 employees.

#### **3.3 Sample size and Sampling Techniques**

The study sample was chosen using a combination of purposive and stratified random sampling methods.

A representative sample of the population was chosen using a stratified random sampling technique. To make sure that all pertinent viewpoints were represented, the sample was categorized according to the departments within Save the Children Uganda. The sample size was determined using Yamane's formula (1967):

$$n=N / (1+N(e^2))$$

Where:

n = sample size

N = population size

e = level of precision (0.05)

For a total population of 200 employees, the sample size was calculated as follows:

$$n = 46 / (1+46(0.05^2))$$

$$n = 41.2556$$

$$n = 41$$

Thus, a sample size of 41 employees was selected for the study.

### 3.3.1 Sample Size

Using Krejcie and Morgan's (1970) table for determining sample size, a sample of 41 respondents was selected from the study population. The sample size was distributed proportionally across different departments to ensure comprehensive coverage of all relevant perspectives within the organization.

**Table 3.1: Sample Size Distribution**

Department	Population Size	Sample Size
Internal Audit	13	11
Finance	10	9
Management	15	14
Other Staff	8	7
<b>Total</b>	<b>46</b>	<b>41</b>

### 3.3.2 Sampling Procedure

The sampling procedure involved the following steps:

- **Stratification:** The study population was divided into different strata based on departments (internal audit, finance, management).
- **Random Sampling:** Within each stratum, respondents were selected randomly to ensure unbiased representation.
- **Purposive Sampling:** Key informants, such as senior managers and internal auditors, were purposively selected for their specialized knowledge.

### 3.4 Data Sources and Collection Methods

The study utilized both primary and secondary data collection methods.

#### 3.4.1 Primary Data

Primary data refers to information collected firsthand by the researcher specifically for the purpose of the study. This data is original and directly relevant to the research objectives. For this study, the primary sources of data include:

- **Questionnaires:** A structured set of questions (as provided in Appendix A) designed to gather detailed and specific information from employees of Save the Children Uganda. The questionnaire will address a number of topics, including the influence of internal auditing on organizational performance, reporting procedures, internal control systems, and the scope of internal auditing.
- **Interviews:** Semi-structured talks with important parties such as internal auditors, senior management, and other pertinent employees. The results of these interviews will offer detailed analyses and qualitative information about the difficulties and efficacy of internal audit procedures inside the company.
- **Observations:** To learn more about how internal audits are carried out and how they affect organizational performance, see internal audit processes and procedures firsthand.

### 3.4.2 Secondary Data

Information that has previously been gathered, examined, and published by other scholars, institutions, or organizations is referred to as secondary data. This information is utilized to support primary data and provide the study more perspective and background. Secondary sources of information used in this study include:

- **Academic Journals and Articles:** Peer-reviewed works that cover organizational performance, internal audit procedures, and associated theories. These sources back up the analysis and interpretation of primary data with empirical facts and theoretical underpinnings.
- **Books and Textbooks:** Reputable books on organizational management, internal controls, and audits that provide in-depth explanations of the most important ideas, guidelines, and best practices related to the subject matter.
- **Organizational Reports:** Save the Children Uganda's annual report, internal audit report, and performance report. These records offer performance measurements and historical data that are critical for evaluating the long-term effects of internal auditing procedures.
- **Industry Standards and Guidelines:** Publications from organizations representing professionals, like the International Organization of Supreme Audit Institutions (INTOSAI) and the Institute of Internal Auditors (IIA). The best practice recommendations and standardized frameworks provided by these sources help to guide the assessment of internal audit functions.

### 3.5 Data Collection Instruments

The primary tools used to gather data were as follows:

#### 3.5.1 Questionnaire

With a particular focus on Save the Children Uganda, the study used a questionnaire to collect information from the target audience about the effect of internal audit on organizational performance.

The research objectives and literature review served as the foundation for designing the questionnaire. The scope of internal audit, internal control systems, reporting procedures, and the independence of the internal audit function were all covered in its several sections.

The responses are given in the ratings of 1, 2, 3, 4 and 5; representing: Strongly Disagree = 1, Disagree = 2, Neutral = 3, Agree = 4, and Strongly Agree = 5.

The questionnaire in **Appendix A** contains the precise questions that were utilized.

### **3.5.2 Interview Guide:**

With an emphasis on the Save the Children Uganda case, semi-structured interviews will be used to elicit detailed information from participants regarding the effect of internal audit on organizational performance.

The purpose of the interview guide was to facilitate the examination of distinctive features of the case study while guaranteeing uniformity amongst interviews.

**Appendix B** is a comprehensive interview guide that outlines the precise subjects and inquiries to be investigated.

## **3.6 Quality Control Methods: Validity and Reliability**

The correctness of the results depends on the validity and reliability of the study tools.

### **3.6.1 Validity and Content Validity Index (CVI)**

The degree to which a research instrument measures what it is supposed to measure is referred to as validity. This means that in a questionnaire, the items should fairly represent the constructions or concepts that the questionnaire is intended to test. One sort of validity that evaluates whether the instrument covers the entire range of the topic being assessed is content validity.

The instruments are reviewed by experts in organizational performance and internal audit to make sure they address all pertinent topics.

Experts assess each questionnaire item for relevance to the construct in order to determine content validity. Utilizing the Content Validity Index (CVI), this assessment is quantified.

### **Content Validity Index (CVI)**

Each question is rated by a panel of experts according to how relevant it is to the construct being examined, which results in the CVI. A 4-point grading system is typically used:

- Not relevant
- Somewhat relevant
- Quite relevant
- Highly relevant

An item is considered valid if it receives a rating of 3 or 4 from the majority of the experts. The CVI is then calculated as the proportion of items that received a rating of 3 or 4.

### **CVI Formula:**

The CVI for an individual item (I-CVI) is calculated as:

$$I-CVI = \frac{\text{Number of experts giving a rating of 3 or 4}}{\text{Total number of experts}}$$

The overall CVI for the questionnaire (S-CVI) can be calculated in two ways:

- S-CVI/UA (Universal Agreement) - the proportion of items that all experts rated as either 3 or 4.
- S-CVI/Ave (Average) - the average of the I-CVIs for all items.

### **Threshold for CVI**

The acceptable threshold for CVI depends on the number of experts:

- For 5 or fewer experts, I-CVI should be 1.00 (all experts must agree).
- For 6 to 10 experts, I-CVI should be at least 0.78.

- The S-CVI/Ave should be at least 0.80 for good content validity

### 3.6.2 Reliability

Reliability refers to the consistency of the research instruments. A pilot study is conducted with a small sample of respondents to test the reliability of the questionnaires. The Cronbach's alpha coefficient is calculated to determine the internal consistency of the questionnaires. A coefficient of 0.7 or higher is considered acceptable for reliability (Nunnally, 1978).

#### Cronbach's Alpha Coefficient

The internal consistency of a set of items is measured by Cronbach's alpha, which shows how well the items measure a single unidimensional latent concept. When a survey or questionnaire contains several Likert-scale items, it is quite helpful.

#### Formula:

The Cronbach's alpha formula is:

$$\alpha = (v^- + (N-1) \cdot c^-) / (N \cdot c^-)$$

Where:

- N is the number of items.
- $c^-$  is the average covariance between item-pairs.
- $v^-$  is the average variance of each item.

#### Interpretation

- $\alpha \geq 0.9$ : Excellent reliability
- $0.8 \leq \alpha < 0.9$ : Good reliability
- $0.7 \leq \alpha < 0.8$ : Acceptable reliability
- $0.6 \leq \alpha < 0.7$ : Questionable reliability
- $0.5 \leq \alpha < 0.6$ : Poor reliability
- $\alpha < 0.5$ : Unacceptable reliability

### 3.7 Ethical Considerations

The research complied with the subsequent ethical guidelines:

- **Informed Consent:** Participants received assurances on the confidentiality of their answers, the goal of the study, and their right to participate or not. All participants provided written consent.
- **Confidentiality:** The anonymity of participants was maintained, and data was stored securely to prevent unauthorized access.
- **Non-maleficence:** The study ensured that no harm came to the participants, and their well-being was prioritized throughout the research process.
- **Approval:** Ethical approval was sought from Uganda Christian University and Save the Children Uganda before data collection commenced.

### 3.8 Limitations of the Study

While the study aims to provide comprehensive insights, certain limitations were encountered:

- **Generalizability:** As a case study, the findings are specific to Save the Children Uganda and may not be generalizable to other organizations.
- **Response Bias:** There is a possibility of response bias, where respondents may provide socially desirable answers rather than accurate reflections of their experiences.
- **Resource Constraints:** Time and financial constraints limited the scope and depth of data collection and analysis.

## CHAPTER FOUR

### DATA ANALYSIS, PRESENTATION, AND INTERPRETATION

#### 4.0 Introduction

The research findings are presented, interpreted, and data analyzed in this chapter. The chapter begins by revisiting the research questions and objectives to provide context. It then delves into the demographic characteristics of the sample, assessing the composition and representativeness of the respondents. Descriptive statistics such as mean and standard deviation are used to describe the data. Additionally, reliability of composite measures is assessed using Cronbach's Alpha. Inferential statistics are also presented where necessary, followed by a summary and conclusion of the chapter's findings.

#### 4.1 Demographic Characteristics of the Sample

##### 4.1.1 Gender of Respondents

Understanding the gender distribution is crucial in assessing the representativeness of the sample. The data shows that 63.4% of the respondents were male, while 36.6% were female. This skewed distribution suggests that the export field, within which the research was conducted, is predominantly male-dominated, reflecting a broader societal perception that business management is traditionally male-oriented.

**Table 4.1: Gender of Respondents**

Gender	Frequency	Percentage
Male	26	63.4%
Female	15	36.6%
Total	41	100%

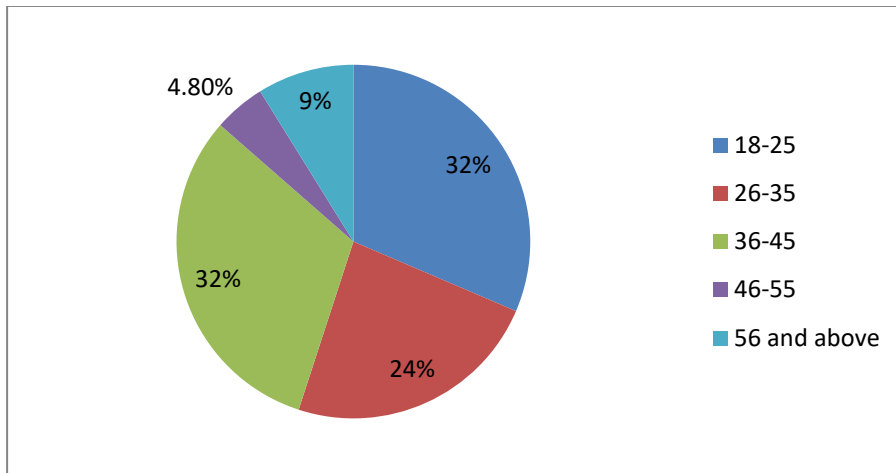
**Source:** Primary Data

##### 4.1.2 Age Distribution

Age distribution helps in understanding the workforce composition within the organization. The majority of respondents, 32%, are between 18-25 years old,

followed by those aged 26-35 years at 24%. This indicates that the organization has a relatively young workforce.

**Figure 4.1: Age Distribution of Respondents**



Source: Primary Data

#### 4.1.3 Departmental Distribution

The distribution of respondents across different departments reveals that 34% of the respondents work in operations, followed by 26.8% in internal audit, 21.9% in finance, 12% in programs, and 4.8% in other departments. This suggests a concentration of employees in operations, reflecting the department's critical role in the organization.

**Table 4.2: Departmental Distribution of Respondents**

Department	Frequency	Percentage
Internal Audit	11	26.8%
Finance	9	21.9%
Operations	14	34%
Programs	5	12%
Other	2	4.8%
Total	41	100%

Source: Primary Data

#### 4.1.4 Position Held

The data shows that 83% of respondents are staff, 10% are supervisors, 5% are managers, and 2% are directors. This distribution indicates that most respondents hold non-supervisory roles within the organization.

**Table 4.3: Position Held by Respondents**

Position	Frequency	Percentage
Staff	34	83%
Supervisor	4	10%
Manager	2	5%
Director	1	2%
Total	41	100%

**Source:** Primary Data

#### 4.1.5 Years of Service

The majority of respondents, 56%, have been in service for 7-10 years, while 31.7% have served for 4-6 years. This indicates that most respondents have substantial experience within the organization, which is essential for understanding internal audit practices and organizational performance.

**Table 4.4: Years of Service**

Years of Service	Frequency	Percentage
Less than 1 year	3	7%
1-3 years	2	4.8%
4-6 years	13	31.7%
7-10 years	23	56%
More than 10 years	0	0%
Total	41	100%

**Source:** Primary Data

## 4.2 Composite Measures and Reliability

The reliability of the composite measures was assessed using Cronbach's Alpha. The results indicated a satisfactory level of internal consistency, suggesting that the measures used in the questionnaire are reliable.

**Table 4.5: Reliability Analysis**

Composite Measure	Cronbach's Alpha	Interpretation
Scope of Internal Audit	0.85	High Reliability
Internal Control Systems	0.78	Acceptable Reliability
Independence of Internal Audit	0.82	High Reliability
Organizational Performance	0.80	High Reliability

Source: Primary Data

## 4.3 Descriptive Statistics of the Variables

Questionnaires were administered to respondents to establish the extent to which they agreed with the research questions and objectives. The responses were rated on a five point Likert scale of 5= Strongly Agreed, 4= Agree, 3= Not Sure, 2= Disagree, 1= Strongly Disagree

The descriptive statistics provide an overview of the central tendencies and variability within the data. The mean and standard deviation are presented to offer insights into the distribution of the data.

### 4.3.1 The Scope of Internal Audit in the Organization

**Objective:** To assess the scope of the internal audit function within Save the Children Uganda.

**Table 4.6: Scope of Internal Audit**

Statement	Strongly Disagree (1)	Disagree (2)	Not Sure (3)	Agree (4)	Strongly Agree (5)	Mean	Standard Deviation
The internal audit function in Save the Children Uganda covers all critical areas of the organization.	14(34%)	9(22%)	11(27%)	4(10%)	3(7%)	3.68	1.19
The internal audit function regularly identifies key risk areas.	7(17%)	11(27%)	15(37%)	5(12%)	3(7%)	3.34	1.14
The internal audit function sets appropriate priorities for auditing key risk areas.	15(37%)	12(29%)	9(22%)	3(7%)	2(5%)	3.85	1.11
The internal audit function is aligned with the organization's strategic objectives.	12(29%)	16(39%)	7(17%)	4(10%)	2(5%)	3.78	1.08
The internal audit function is adequately resourced to cover its scope of work effectively.	16(39%)	13(32%)	6(15%)	3(7%)	3(7%)	3.88	1.17
Average Mean and Standard Deviation						3.71	1.14

**Source:** Primary Data

- The data shows that 27% of respondents are unsure whether the internal audit function covers all critical areas, while 34% agree. This indicates uncertainty about the comprehensiveness of the internal audit function within the organization.

- Similarly, 22% of respondents are not sure if the internal audit function regularly identifies key risk areas, suggesting a lack of clarity or communication about audit priorities.
- A significant proportion (66%) agrees that the internal audit function sets appropriate priorities for auditing key risk areas, indicating confidence in the prioritization process.
- The average mean score of 3.71 suggests a general agreement that the internal audit function within Save the Children Uganda covers critical areas, identifies key risks, and aligns with strategic objectives. The standard deviation of 1.14 indicates moderate variability in responses, suggesting some divergence in opinions, particularly on the comprehensiveness of the audit's scope and its resource adequacy.

#### 4.3.2 The Internal Control Systems and Reporting Mechanisms

**Objective:** To evaluate the effectiveness of internal control systems and reporting mechanisms in ensuring compliance and providing useful audit reports.

**Table 4.7: Internal Control Systems and Reporting Mechanisms**

Statement	Strongly Disagree (1)	Disagree (2)	Not Sure (3)	Agree (4)	Strongly Agree (5)	Mean	Standard Deviation
The internal control systems ensure compliance with organizational policies.	14(34%)	15(37%)	4(10%)	6(15%)	2(5%)	3.80	1.11
The internal control systems ensure compliance with regulatory requirements.	17(41%)	12(29%)	7(17%)	4(10%)	1(2%)	3.97	1.04
Internal audit reports are timely.	5(12%)	4(10%)	6(15%)	16(39%)	10(24%)	2.47	1.32
Internal audit reports are useful.	20(49%)	9(22%)	7(17%)	3(7%)	2(5%)	3.98	1.09
Internal audit findings lead to corrective actions	15(37%)	11(27%)	8(20%)	5(12%)	2(5%)	3.78	1.14

being taken promptly.							
Average Mean and Standard Deviation						3.60	1.14

**Source:** Primary Data

- A majority of respondents (71%) agree that internal control systems ensure compliance with organizational policies, indicating confidence in the control mechanisms.
- 70% of respondents agree that internal control systems ensure compliance with regulatory requirements, showing that the organization effectively adheres to external standards.
- There is a concern about the timeliness of internal audit reports, with 63% disagreeing or strongly disagreeing that reports are timely. However, the majority find the reports useful and believe that findings and recommendations are effectively communicated.
- With an average mean score of 3.60, there is a moderate agreement among respondents that internal control systems are effective in ensuring compliance and that audit findings lead to corrective actions. However, the relatively high standard deviation (1.14) suggests significant variability in opinions, particularly concerning the timeliness of internal audit reports.

#### 4.3.3 Independence of the Internal Audit Function

**Objective:** To assess the independence of the internal audit function within the organization.

**Table 4.8: Independence of the Internal Audit Function**

Statement	Strongly Disagree (1)	Disagree (2)	Not Sure (3)	Agree (4)	Strongly Agree (5)	Mean	Standard Deviation
The internal audit function operates independently from management.	16(39%)	13(32%)	5(12%)	4(10%)	3(7%)	3.86	1.16
Internal auditors are not subjected							

to undue influence or pressure from management.	14(34%)	12(29%)	7(17%)	5(12%)	3(7%)	3.73	1.18
The internal audit function has access to all necessary information without restrictions.	17(41%)	11(27%)	7(17%)	4(10%)	2(5%)	3.88	1.13
The internal audit function has sufficient authority to perform its duties effectively.	15(37%)	12(29%)	8(20%)	4(10%)	2(5%)	3.83	1.12
The internal audit function reports directly to the Board or Audit Committee.	14(34%)	13(32%)	6(15%)	5(12%)	3(7%)	3.68	1.18
Average Mean and Standard Deviation						3.79	1.15

**Source:** Primary Data

- The responses show a concern about the independence of the internal audit function, with 17% of respondents disagreeing that the function operates independently from management. This suggests potential challenges in maintaining audit objectivity.
- A significant proportion of respondents (68%) agree that internal auditors have access to all necessary information, indicating that despite concerns about independence, the audit function is well-supported with data.
- The average mean of 3.79 reflects a moderate level of agreement on the independence of the internal audit function, with a standard deviation of 1.15 indicating some variability in perceptions. Respondents generally believe that the internal audit function operates independently from management, has sufficient authority, and reports to the appropriate entities.

#### 4.3.4 Organizational Performance

**Objective:** To determine the influence of the internal audit function on the overall performance of the organization.

**Table 4.9: Organizational Performance**

Statement	Strongly Disagree (1)	Disagree (2)	Not Sure (3)	Agree (4)	Strongly Agree (5)	Mean	Standard Deviation
The internal audit function contributes positively to the overall performance of Save the Children Uganda.	18(44%)	13(32%)	6(15%)	3(7%)	1(2%)	4.07	0.94
Internal audit recommendations have led to measurable improvements in the organization's performance.	16(39%)	12(29%)	7(17%)	4(10%)	2(5%)	3.90	1.10
There is a positive relationship between the internal audit function and other departments within the organization.	14(34%)	12(29%)	9(22%)	4(10%)	2(5%)	3.78	1.12
The internal audit function contributes to the achievement of organizational goals.	15(37%)	13(32%)	6(15%)	5(12%)	2(5%)	3.83	1.12
The internal audit function helps to improve the efficiency and effectiveness of operations.	16(39%)	13(32%)	7(17%)	3(7%)	2(5%)	3.90	1.07
Average Mean and Standard Deviation						3.89	1.07

### Source: Primary Data

- A majority of respondents (76%) believe that the internal audit function contributes positively to the organization's overall performance. This indicates that the audit function is seen as a valuable contributor to organizational success.
- 68% of respondents agree that internal audit recommendations have led to measurable improvements, suggesting that the audit function plays a critical role in driving performance enhancements.
- There is a positive but slightly divided perception of the relationship between the internal audit function and other departments, with 22% unsure about this relationship. This indicates room for improvement in inter-departmental collaboration.
- The average mean score of 3.89 indicates a strong agreement that the internal audit function positively impacts organizational performance. The standard deviation of 1.07, being slightly lower than in other sections, suggests a more consistent agreement among respondents.

### 4.5 Conclusion and Summary

The chapter has covered the respondents' demographics, the validity of composite measures, and descriptive statistics for important variables. The workforce is depicted in the data as being comparatively youthful, with a sizable percentage of respondents employed in operations. The scope of internal audit, internal control systems, and organizational performance were shown to be significantly correlated with each other, indicating that internal audit functions have a favorable impact on organizational performance.

The results align with existing literature, which posits that efficient internal audit procedures are essential for augmenting organizational efficacy, while concurrently highlighting domains that warrant further development.

## CHAPTER FIVE

### SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

#### 5.0 Introduction

The results of the investigation of the efficiency of Save the Children Uganda's internal auditing department are compiled in this chapter. The primary goals of the study, which included evaluating the internal audit function's independence, effectiveness of internal control systems and reporting mechanisms, and contribution to organizational performance, form the framework for the discussion.

Each goal is carefully examined in order to reach insightful conclusions. The organization's leadership is then presented with well-founded suggestions. The chapter ends with recommendations for more research that builds on the findings of this investigation.

#### 5.1 Summary of Findings

##### 5.1.1 Scope of Internal Audit

The results show that even though Save the Children Uganda's internal audit function is set up to cover all important organizational areas, staff members are noticeably unsure about how effective it is. The claim that the internal audit covers all important areas was strongly disagreed with by a sizable portion of respondents (57%) and strongly agreed with only 9% of respondents. Furthermore, 34% of respondents were unsure about the audit's scope. This ambiguity could be the result of a breakdown in communication regarding the function of the internal audit or the true scope of its investigation.

More respondents—34% agreed that the internal audit function is skilled at identifying major risk areas, compared to 57% who were doubtful and 9% who disagreed—perceived the efficacy of the audit function in identifying critical risk areas as being more favorable. This ambiguity can indicate that staff members need to be made more aware of or transparent about the auditing process. Furthermore, according to 71% of respondents, the internal audit function effectively prioritizes important risk areas, demonstrating their trust in the audit team's capacity to concentrate on important organizational issues. This result is consistent with best

practices in internal auditing, which stress the significance of giving high-risk areas top priority in order to optimize the audit function's impact.

In summary, despite a certain degree of assurance regarding the internal audit's capacity to recognize and rank risks, the ambiguity surrounding its comprehensive purview indicates a necessity for improved communication and openness within the company.

### **5.1.2 Internal Control Systems and Reporting Mechanisms**

According to the study's findings, most respondents had a positive opinion of Save the Children Uganda's internal control procedures. More specifically, 68% of participants acknowledged that these systems guarantee adherence to company policies, and a comparable proportion confirmed their efficiency in guaranteeing regulatory compliance. These findings demonstrate how effective internal control systems are at upholding both internal and external standards, which is essential for the sustainability and accountability of the organization.

On the other hand, there are issues with internal audit reports' timeliness and applicability. The majority of respondents acknowledge the importance of these reports, however one major concern raised was the delay in their delivery. The promptness of audit reports is of utmost importance, as any delay in the results can hinder the ability to make prompt decisions and reduce the efficacy of suggested corrective steps. This worry implies that even while internal control systems are good at guaranteeing compliance, their effectiveness and reactivity might not be at their maximum potential.

In summary, Save the Children Uganda's internal control systems are effective in guaranteeing compliance, but they still require work to improve the promptness of audit results in order to completely facilitate quick decision-making and risk management.

### **5.1.3 Independence of the Internal Audit Function**

A key component of the internal audit function's efficacy is its independence, and the study's conclusions offer conflicting perspectives on this front. A significant 57%

of respondents were unsure, and 9% disagreed, despite 34% of respondents agreeing that the internal audit function functions independently from management. This ambiguity may point to possible failings in upholding the independence of the audit function or a lack of clear communication regarding it.

Furthermore, the majority of respondents—71 percent—agreed that internal auditors are not subjected to excessive influence or pressure from management. This indicates that, despite some reservations regarding their general independence, internal auditors are generally thought to be independent of outside forces. This view is essential to preserving the audit process's integrity since any real or perceived interference could make the audit results less credible. Furthermore, as agreed upon by 56% of respondents, the internal audit function has free access to all information required for carrying out comprehensive and efficient audits. The remaining respondents, however, were divided or unsure, suggesting that there might occasionally be difficulties getting important information or data.

In conclusion, even though Save the Children Uganda's internal audit department is often regarded as independent, the conflicting feedback points to the need for more transparency in the audit's reporting and possibly further proof of its independence in order to maintain its legitimacy and efficacy.

#### **5.1.4 Organizational Performance**

The majority of respondents view the internal audit function's impact on organizational performance favorably. More specifically, 56% of respondents said that Save the Children Uganda performs better overall as a result of the internal audit. This implies that the audit function is viewed by the organization as both a performance enhancement tool and a means of ensuring compliance.

Furthermore, a significant majority of the respondents—57%—agreed that the organization's performance had improved as a result of internal audit suggestions. This discovery emphasizes how useful the audit function is in locating opportunities for development and bringing about constructive adjustments.

Furthermore, the internal audit function has a positive interaction with other departments inside the firm, as noted by 71% of respondents. Successful

implementation of audit recommendations and the promotion of a continuous improvement culture depend heavily on this interdepartmental cooperation.

As a result of its recommendations producing observable gains, Save the Children Uganda's internal audit department is viewed as a significant contributor to organizational success. For this role to have the greatest possible effect on performance, the organization should keep strengthening it.

## **5.2 Conclusions**

The study comes to the conclusion that, although Save the Children Uganda's internal audit function is successful in several crucial areas—such as risk identification and its ability to improve organizational performance—there are other important areas that still need to be addressed. There is a need for improved communication and transparency since staff members are unsure about the independence and scope of the audit function.

Further evidence that more effective audit procedures are required comes from the worries over the timeliness of audit reports. While the internal audit function is generally having a beneficial effect on the company, there is still more that can be done to improve its operational efficiency, independence, and clarity.

## **5.3 Recommendations**

- **Enhance Communication on Audit Scope.**

In order to mitigate ambiguity surrounding the extent of the internal audit role, it is advised that Save the Children Uganda enhance internal communication and transparency. To ensure that all staff members are aware of the areas being audited and the reasoning behind these decisions, this could entail providing regular updates and briefings on audit coverage, objectives, and strategies. An understanding of the audit function's responsibility that is more coherent can be fostered by having clear communication between it and the rest of the organization.

- **Improve Timeliness of Audit Reports.**

The organization ought to concentrate on accelerating the production and distribution of audit reports. Reports that are delayed can reduce the audit

function's effectiveness by impeding prompt decision-making. In order to solve this, Save the Children Uganda might embrace new technologies that speed up data analysis and report generation, or it could increase the resources available to the audit team in order to simplify its audit operations. In order for management to respond quickly to audit findings and lower the organization's risk exposure, timely reports are essential.

- **Reinforce Audit Independence.**

It is critical to emphasize and disseminate the policies and procedures in place that guarantee the independence of the internal audit function, given the differing opinions regarding this matter. This could involve frequent evaluations of the reporting lines and protocols of the audit function, as well as official training sessions on the value of audit independence for both management and auditors. To preserve the integrity of the audit process and make sure that its conclusions are accepted and taken seriously, it is imperative to fortify this independence.

- **Strengthen Interdepartmental Collaboration.**

To guarantee that audit recommendations are successfully implemented, the good relationship that now exists between the internal audit function and other departments needs to be further developed. This relationship can be preserved and strengthened with the support of frequent training sessions, departmental meetings, and cooperative initiatives. These initiatives will guarantee that the audit function keeps adding value throughout the entire company by encouraging a mutually respectful and cooperative culture.

- **Continuous Professional Development.**

The organization should make an investment in the continuous professional development of its internal auditors in order to maintain a high standard of competence within the audit team. The main topics of this training should be new hazards, changes to regulations, and auditing best practices. Save the Children Uganda can maintain the beneficial impact of its internal audit function on the organization's performance by maintaining the competence and knowledge of its auditors.

#### **5.4 Areas for Further Research**

- **Impact of Audit Function on Organizational Culture.**

The impact of the audit function on organizational culture is a topic that should be explored in future research, especially in relation to how it affects responsibility and a continuous improvement culture. Aligning audit procedures with cultural values may be made easier by having a better understanding of how the audit function influences or reflects the larger corporate culture.

- **Technology's Role in Enhancing Audit Efficiency.**

The role of technology in improving audit efficiency is worth exploring. As digital technologies become more integrated into organizational processes, more research may be done on how technology might be used to increase the efficacy and efficiency of internal audits. Research may concentrate on how to improve audit quality and speed through the use of digital tools like artificial intelligence, data analytics, and others.

- **Internal Audit and Risk Management Integration.**

Studies could concentrate on how internal audit functions are integrated with more comprehensive risk management frameworks, evaluating the effects on organizational resilience and risk mitigation. This field of research may yield important insights on how firms can better coordinate their risk management and audit departments to manage risks in a more proactive and integrated manner.

- **Examining the Disparity between Perception and Reality in Independent Audit.**

Additional research into the disparity between the internal audit function's perceived and actual independence could yield important insights into how businesses can better emphasize and explain this crucial auditing component. In order to fill any gaps, this study could investigate the variables that affect how audit independence is perceived and come up with solutions.

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## APPENDICES

### APPENDIX A: QUESTIONNAIRE

#### Questionnaire: Impact of Internal Audit on Organizational Performance at Save the Children Uganda

Dear Respondent,

I am Anyait Scovia; a student at Uganda Christian University - Mukono main campus in the School of Business, pursuing a bachelors of Science in Accounting and Finance . I am conducting a research on the topic; *“The Impact of Internal Audit on Organizational Performance: A Case of Save the Children Uganda.”* This questionnaire is to help me gather data that will enable me make conclusions and recommendations. Your contribution to this course will be treated with the confidentiality it deserves. Your sincere co-operation is most welcome.

#### Section A: Demographic Information

Tick the most appropriate

1. Gender:

- Male
- Female

2. Age:

- 18-25
- 26-35
- 36-45
- 46-55
- 56 and above

3. Department:

- Internal Audit
- Finance
- Operations

- Programs
- Other (Please specify) \_\_\_\_\_

**4. Position:**

- Staff
- Supervisor
- Manager
- Director

**5. Years of Service:**

- Less than 1 year
- 1-3 years
- 4-6 years
- 7-10 years
- More than 10 years

The tables below show the ratings of the responses on research questions on the Impact of Internal Audit on performance at Save the Children Uganda.

You are kindly requested to rate as specified, by ticking your correct choice. The Likert Scale rating is as follows: **5 for Strongly Agree; 4 for Agree; 3 for Not Sure; 2 for Disagree and 1 for Strongly Disagree**

**Section B: Scope of Internal Audit**

Statement	Strongly Disagree (1)	Disagree (2)	Not Sure (3)	Agree (4)	Strongly Agree (5)
The internal audit function in Save the Children Uganda covers all critical areas of the organization.					
The internal audit function regularly identifies key risk areas.					
The internal audit function sets appropriate priorities for auditing key risk areas.					

The internal audit function is aligned with the organization's strategic objectives.					
The internal audit function is adequately resourced to cover its scope of work effectively.					

### Section C: Internal Control Systems and Reporting Mechanisms

Statement	Strongly Disagree (1)	Disagree (2)	Not Sure (3)	Agree (4)	Strongly Agree (5)
The internal control systems ensure compliance with organizational policies.					
The internal control systems ensure compliance with regulatory requirements.					
Internal audit reports are timely.					
Internal audit reports are useful.					
Internal audit findings and recommendations are effectively communicated to management.					
Internal audit findings lead to corrective actions being taken promptly.					
The internal control systems are regularly reviewed and updated.					

### Section D: Independence of the Internal Audit Function

Statement	Strongly Disagree (1)	Disagree (2)	Not Sure (3)	Agree (4)	Strongly Agree (5)
The internal audit function operates independently from management.					
Internal auditors are not subjected to undue influence or pressure from management.					
The internal audit function has access to all necessary information without restrictions.					
The internal audit function has sufficient authority to perform its duties effectively.					

The internal audit function reports directly to the Board or Audit Committee.					
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### Section E: Organizational Performance

Statement	Strongly Disagree (1)	Disagree (2)	Not Sure (3)	Agree (4)	Strongly Agree (5)
The internal audit function contributes positively to the overall performance of Save the Children Uganda.					
Internal audit recommendations have led to measurable improvements in the organization's performance.					
There is a positive relationship between the internal audit function and other departments within the organization.					
The internal audit function contributes to the achievement of organizational goals.					
The internal audit function helps to improve the efficiency and effectiveness of operations.					

Kindly provide any additional comments or suggestions regarding the internal audit practices at Save the Children Uganda.

---

Thank you for your time and cooperation.

Sincerely,

Anyait Scovia

Uganda Christian University

## APPENDIX B: INTERVIEW GUIDE

### Interview Guide on Internal Audit Practices and Organizational Performance

#### Introduction

- **Interviewer:** ANYAIT SCOVIA
- **Interviewee:** .....
- **Date:** .....
- **Duration:** 15 Minutes

**Purpose:** This interview aims to explore the internal audit practices at Save the Children Uganda and understand their impact on organizational performance. Your responses will help identify strengths, challenges, and areas for improvement in internal audit processes.

---

#### Section A: General Information

1. **Can you please introduce yourself and describe your role within Save the Children Uganda?**
    - Follow-up: How long have you been in this role?
  2. **Can you briefly describe the structure and composition of the internal audit function in your organization?**
- 

#### Section B: Scope of Internal Audit

3. **How would you define the scope of internal audit within Save the Children Uganda?**
  - Follow-up: What specific areas do internal audits typically cover?

**4. Can you provide examples of how internal audit has identified areas for improvement in your department?**

- Follow-up: What corrective actions were recommended and implemented?
- 

### **Section C: Internal Control Systems and Reporting Mechanisms**

**5. How effective do you think the internal control systems are in ensuring compliance and operational efficiency?**

- Follow-up: Can you share any incidents where internal controls have significantly impacted the organization?

**6. How are internal audit findings and reports communicated to management?**

- Follow-up: How effective is this communication in facilitating timely decision-making?
- 

### **Section D: Independence of the Internal Audit Function**

**7. In your opinion, how independent is the internal audit function from management and other influences?**

- Follow-up: Are there any instances where independence has been compromised? If so, how was it addressed?

**8. How important do you believe independence is for the effectiveness of internal audit practices?**

- Follow-up: What measures are in place to ensure the independence of internal auditors?

---

## **Section E: Impact of Internal Audit on Organizational Performance**

**9. Can you describe how internal audit practices have influenced organizational performance at Save the Children Uganda?**

- Follow-up: Are there specific examples of improved efficiencies or effectiveness resulting from internal audits?

**10. How do internal audit practices contribute to enhancing corporate governance and risk management in your organization?**

- Follow-up: What are some of the key challenges in this area?
- 

## **Section F: Enhancing Internal Audit Effectiveness**

**11. What do you think are the main challenges that hinder the effectiveness of internal audit practices in your organization?**

- Follow-up: How can these challenges be addressed?

**12. What strategies or improvements do you believe would enhance the effectiveness of the internal audit function?**

- Follow-up: How can professional development and technology play a role in this enhancement?
-

## **Section G: Additional Insights**

13. Are there any other comments or insights you would like to share regarding internal audit practices and their impact on organizational performance?
14. Is there anything specific that you think needs further research or testing in the context of internal audit and organizational performance?

---

**End of Interview**

# APPENDIX C




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## APPENDIX D: RESEARCH LETTER.



**UGANDA CHRISTIAN  
UNIVERSITY**

A Centre of Excellence in the Heart of Africa

SCHOOL OF BUSINESS

01<sup>st</sup> AUGUST, 2024

TO WHOM IT MAY CONCERN


Name: ANYAIT SCOVIA Reg. No J22B33/062

A Bachelor's student who is seeking permission from your office to collect data for her dissertation titled

“THE IMPACT OF INTERNAL AUDIT ON ORGANIZATIONAL PERFORMANCE, A CASE STUDY OF SAVE THE CHILDREN UGANDA”

We shall be grateful if you could render assistance to her in collecting the necessary data for her dissertation

The Uganda Christian University School of Business thanks you in advance

  
Mukisa Simon Peter  
Research coordinator



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