

**INTERNAL CONTROL SYSTEM AND TIMELY FINANCIAL REPORTING IN DISTRICT LOCAL
GOVERNMENT OF UGANDA A CASE OF ARUA DISTRICT LOCAL GOVERNMENT**

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**UGANDA CHRISTIAN
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DECLARATION:

I **ARIAKA BENARD**, declare that this research report entitled to as " Internal control systems and timely financial reporting in local government of Uganda" is my own original work based on my experience, skills, knowledge gained from the research and it has never been submitted to any other university or to any other higher institution of learning.

SIGN.......... DATE..........

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STUDENT NAME.

APPROVAL:

This is to certify that this research report was carried out under my supervision and it is now ready for submission to the school of business with my approval.

SIGN.......... DATE..........

MR. ANTHONY KABISYAKI AGUME

ACADEMIC SUPERVISOR

DEDICATION.

I dedicate this research report to Almighty God for the love, care, protection, guidance, wisdom and endless blessings He accorded me with during research period.

In addition, I also dedicate this research report to my beloved brother ATIBO SIMON, Family Members and friends, for all the moral, material, spiritual support and guidance they gave me during my research exercise period, May Almighty God bless you all.

Finally, I also want to dedicate this research report to my beloved Lecturer: Mr. ANTHONY AGUME KABISYAKI who was at the same time my supervisor for the love, support and guidance during the period of my research exercise.

ACKNOWLEDGEMENT.

With great respect and honor, I would like to express my sincere thanks to the God Almighty, the Most Merciful and the Most Gracious, who gave me the courage and patience to achieve this milestone and for the successful completion of my research report.

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LIST OF ACRONYMS.

COSO – Committee of Sponsoring Organization

SOX – Sarbanes – Oxley Act.

ACCA – Association of Chartered Certified Accountants.

IFRS – International Financial Reporting Standard.

AICPA – American Institute of Certified Public Accountants

ICPAU – Institute of Certified Public Accountants of Uganda.

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ABSTRACT.

This research study entitled to as "Internal control system and timely financial reporting in local government of Uganda" was carried out at Arua district local government. The purpose of this study was to find out the Internal control system and timely financial reporting in the local government of Uganda, and the study was based on the following specific objectives; to find out the types of internal control systems used in the local government of Uganda, the effectiveness of internal controls on timely financial reporting in the district local governments and the Relationship between internal control systems and timely financial reporting in Arua district local governments. The population study comprised of 35 respondents from the finance, administration, internal audit, works and planning departments and they included both male and female respondents of different age groups. In the process of conducting the study, the study employed a cross sectional research design and methodology used was both qualitative and quantitative. The major instruments of data collection the researcher used include; Questionnaires, interviews and other documentary reviews to gather data in the study. Basing on the types of internal controls used in Arua district local government, most of the respondents strongly believed that there are different types of internal controls such as segregation of duties, authorization procedures, safeguarding of assets, regular monitoring. Independents verification and review, comprehensive police and procedures etc. in regards of effectiveness of internal controls on timely financial reporting it was revealed that the above types of internal control systems were mainly used in Arua district local governments. For the Relationship between internal control systems and timely financial reporting in Arua district local governments. It was revealed that internal control systems encompass policies, procedures and mechanisms designed to safeguard assets, ensure compliance with laws and regulations, and facilitates reliable financial reporting. Its recommended that internal controls are very essential in efficient and effective management of any entity, Internal control systems should be monitored on a quarterly basis to ensure that they are still relevant and are adhered to, Different internal controls should be implement in order to help in the attainment of effectiveness. Further trainings should be organized to the staffs about the internal controls.

CHAPTER ONE

1.0 Introduction

This chapter presents the back ground of the study, the problem statement which states what had been detected and needed a general solution in the practical world, the purpose or the aim of the research, general and specific objectives of the study, research questions, the scope of the study, Significance of the study and limitations that may hinder the research process.

1.1 Background of the study.

Internal control system are techniques used by an entity, board of director, management and other personnel so as to provide reasonable assurance regarding effectiveness and efficiency of operations, reliability of reporting and compliance with the laws and regulations, emphasis should be made to achieve organizations objectives.

Internal controls are processes designed by those charged with governance, management, and other personnel to provide reasonable assurance about the achievement of an entity's objectives with regards to reliability of the reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations (Farnham, 2022). It is worth noting that internal controls only provide reasonable but not absolute assurance to an entity's management and the board of directors that the organizations objectives will be achieved. "The likelihood of achievement is affected by limitations inherent in all systems of internal controls"(Hayes et al., 2015). There is a general perception that institutions and enforcement of proper internal control systems always lead to improved timely reporting process. It is also a general belief that properly instituted system of internal control improves the financial performance and also give rise to reliable reports which enhances the accountability function of management of an entity. (Hayes et al., 2015).

Internal controls are very essential in the efficient and effective management of any business entity this therefore implies that it is a primary responsibility of every management to establish and maintain an adequate internal control system which is appropriate to the size and nature of any business entity. (Gupta, 2013). When proper internal control systems are put in place by an organization they greatly help the management of an organization to achieve reliable timely financial reporting, efficiency and effectiveness of operations and compliance with the set laws and regulations, this provides reasonable assurance to the management of any business entity with proper internal controls in place can fully achieve its objectives. (Arens et al, 2018)

According to (Bandyopadhyay et al., 2019), Timely financial reporting is essential for providing relevant and reliable financial information to stakeholders, enabling informed decision-making and accountability in district local governments. Timely financial reporting involves the preparation and dissemination of financial statements within a reasonable period following the end of the reporting period, in accordance with applicable accounting standards and regulations (IFAC, 2014).

Timely financial reporting is associated with improved governance, financial performance, and investor confidence in the public sector (Guthrie et al., 2018). For instance, according to Hoque et al. (2016) investigated the determinants of timely financial reporting in local governments, identifying factors such as organizational size, financial condition, governance structure, and external audit as significant determinants of reporting timeliness.

According to (Chen et al., 2020). The effectiveness of internal control systems has a direct impact on the quality and timeliness of financial reporting in district local governments. A well-designed and properly implemented internal control system enhances the reliability of financial information, reduces the risk of errors and fraud, and facilitates timely reporting of financial results (Beasley et al., 2013).

Li et al. (2017). Several studies have explored the relationship between internal control systems and timely financial reporting in the public sector. For example, examined the influence of internal control quality on financial reporting timeliness in district local governments, finding a positive association between strong internal controls and timely financial reporting. Ray and Kurt's (2001) also mentioned some of the components of internal control system such as; the Control environment, Internal Audit, and Control activities in the local governments of Uganda

In Arua district local government, internal controls and timely financial reporting was some of the aspect that was not been given the attention it deserved. Staff has in a number of cases been given organizations resources and has either failed to account for the resources entrusted to them or have not made the necessary accountabilities in times. This has made some of the accounting officers and workers in other departments to be removed in their various offices. Therefore, it should be noted that international Financial Reporting Standards (IFRSs) emphasize timely production of report. Ideally end of year financial statements should be produced within three months following the end of the period to which the financial statements relate.

1.2 Statement of the problem.

The Internal controls within organizations are put in place to create order in the way an entity's activities are carried out, to safe guard the assets and resources of an entity, to ensure timely financial reporting, accuracy and completeness of accounting data, to ensure efficient and economic use of resources and the proper achievements of organizational objectives (Milichamp, 2002).

According to the district local governments annual report of 2022 released by the ministry of local government on February 2nd 2022, 27 qualified opinions were given by auditors on 27 local governments in Uganda, the qualified opinions clearly implied weaknesses in the internal control systems and failure in timely financial reporting by the local governments employees to follow proper standards, this greatly affected the district local governments abilities to implement set plans as well as proper achievements of organizational objectives.

1.3 Purpose of the study.

The purpose of the study was to find out the internal control systems on timely financial reporting in the local governments of Uganda.

1.4 Specific objectives of the study.

The specific objectives of the study were as follows:

- a) To examine the types of internal control system used by Arua district local government
- b) To ascertain the effectiveness of internal controls on timely financial reporting in Arua district local governments.
- c) To examine the relationship between internal control systems and timely financial reporting in Arua district local governments.

1.5 Research questions.

To achieve the above desired objectives, the following research questions were used:

- a) What are the types of internal controls found in Arua district local government?
- b) What are the effects of internal control systems on timely financial reporting in Arua district local government?
- c) What is the relationship between internal control system and timely financial reporting in Arua district local governments?

1.6.0 Scope of the study.

The study scope involved the above area, subject scope and time scope discussed as follows:

1.6.1 Geographical /Area scope.

The study was carried out at Arua district local government. According to Arua district local government website, Arua district local government is one of the local governments under Uganda government decentralization policy, it is located in the northern part of Uganda and it is comprised of one municipal council, 18 sub counties, 119 parishes and 1102 villages.

According to the national population and housing census of 2014 area specifications report, Arua district local government has got a total population of 309,052 inhabitants where Arua central division had 61,962 with 10,202 households and Ayivu Division population was 247,090 with 46380 households. The 2020 Arua district population is projected at 361,400.

According to the Arua district local government website, Arua district local government is made up of 11 departments that includes the district council, Legal services, Human resource Department, Procurement and disposal, Revenue Generation, Physical planning and Housing, Planning, Project and Grant Department, Statistician, Statutory Bodies, trade industry and investment Department. finance and planning, education and sports, Health, Natural resources, community based services, production and marketing, works and technical services, and the internal audit department.

1.6.2 Subject scope.

The study was set to focus on two variables which includes; the internal control systems as the independent variable and timely financial reporting as the dependent variable in the local government of Uganda. The study was however limited to the objectives of examining the types of internal controls, ascertaining the effectiveness of internal controls on timely financial reporting and evaluating the relationship between internal control system and timely financial reporting in local governments of Uganda.

1.6.3 Time scope.

The study entitled “the internal control system and timely financial reporting in Arua district local governments” covers a period of one months (April) 2024. The literature reviewed included audited local government financial statements, annual reports and district development plans.

1.7.0 Significance of the study.

This study was important because it benefited the following:

1.7.1 Local government.

The district local government will be in position to assess whether their internal control systems are effective to the set plans as well as proper achievements of organization objectives and therefore this implies that the local governments use the study to redevelop proper internal control system that promote quality and cost effectiveness in proper service delivery in the organization.

1.7.2 Government of Uganda.

The study also helps government of Uganda to put in place proper internal control systems and ensure that there is timely financial reporting in the local governments.

The internal control systems shall help in promoting proper accountability, assessing risks earlier, redeveloping new standards and policies for various projects, monitoring internal controls to assess their effectiveness and putting in place control activities at various levels of local government management to ensure that local government objectives are achieved.

1.7.3 Scholars / Researcher

The study may be used to equip scholars and researchers with relevant knowledge on how to analyze different internal control systems in organizations.

1.8.0 Limitations of the study

The following problems hindered me from attaining the objectives I set out to achieve;

Unstable weather conditions such as heavy rainfalls or too much heat inconveniencing the researcher.

Limited access to information from respondents/ Resistance from respondents.

Fixed work schedules causing difficulties in getting information from the respondents.

1.8.1 Sensitivity of the problems.

The sensitivity of the problem hindered the attainment of the objectives of the study to some extent because it rotated around internal control system and timely financial reporting which was a matter that some respondents felt they could not just release information about this led to the continuous misplacement of questionnaires and failure to up hold appointment dates for interviews.

1.8.2 Technical competence of the respondents at local government levels.

Some respondents at the local government level lacked some technical competence on types of internal controls systems used on timely financial reporting in Arua district local government to deliver proper services to the population.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter presents an overview of the literature that relates to topic under the study which the internal control systems and timely financial reporting. The review of available literature therefore attempted to established whether there is a correlation between internal control systems as independent variable and timely financial reporting as a dependable variable.

2.1.0 Internal control systems

According to Hay, David C. (2019). The evolution of internal control began in the year 1949-1988. Hay highlighted that the Evolution of internal control took place under the influence of conflicting pressures: the desire of auditors to reduce their liability, and therefore to define their responsibilities narrowly; and a trend, influenced by a number of factors, towards evaluating the broad concept of control over an organization as a whole. Examining the evolution of internal control over this period provided an indication of the nature of change in auditing, and the pressures which induce change. David C. (2019). This thesis examined changes in the definition and concept of internal control over the period in which the definition published by the American Institute of Accountants in 1949 was in effect.

AICPA, (2016). Defined Internal control systems as the processes, policies, and procedures implemented within an organization to ensure efficient operations, accurate financial reporting, and compliance with laws and regulations. These systems are designed to safeguard assets, prevent fraud, and promote adherence to management directives. Thus help the organizations in achieving the set objectives and enhancing accountability.

According COSO (2013). Internal control systems refer to a process designed, implemented and maintained by people charged with governance, management and other staff that can be expected to provide only reasonable assurance to the entity's management and board to the achievement of the business objectives regarding the effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations (IFAC, 2013)

Will Kenton. (2022). Stated that Internal controls are the mechanisms, rules, and procedures implemented by a company to ensure the integrity of financial and accounting information, promote accountability, and prevent fraud. Besides complying with laws and regulations and

preventing employees from stealing assets or committing fraud, internal controls can help improve operational efficiency by improving the accuracy and timeliness of financial reporting. Suzanne kvilhaug (2022).

The internal control system consists of five interrelated components namely Control environment, Risk assessment, Control activities, Information and communication, and Monitoring (Deshmukh, 2019; Wang, 2010; Takahiro and Jia, 2014; Wardwiyono, 2018; Mary et al., 2014; Ayagre et al., 2014).

2.2.0 Timely financial reporting.

(Knechel & Schipper, (1989). Timely financial reporting refers to the practice of promptly disclosing financial information to stakeholders within a specified timeframe after the end of a reporting period, such as a quarter or fiscal year. This practice ensures that stakeholders, including investors, creditors, regulators, and the public, have access to accurate and up-to-date financial information for decision-making purposes. Timely reporting fosters transparency by providing stakeholders with timely access to financial information. Transparency builds trust and confidence among investors, creditors, and other stakeholders, enhancing the company's reputation and credibility. (Salterio, 2016).

Financial reporting timeliness is the total number of days between the end of the financial period and the date the firm announces its audit report (Ashton et al., 1987). Timeliness of financial reporting is important for investors and stakeholders as it provides them with up-to-date information to make informed decisions about the company's financial health and future prospects. Delayed financial reporting may negatively impact a company's reputation and may lead to legal and regulatory consequences (Cao et al., 2015). Determining the factors affecting the financial reporting timeliness is important in terms of directing the decisions taken by the users of financial reports (Abernathy et al., 2017). The financial reporting timeliness can be influenced by various factors such as firm based, audit based, and the corporate governance based. Therefore, understanding these factors can help companies improve their financial reporting process and provide more reliable information to stakeholders.

Timely reporting contributes to the efficient functioning of financial markets. Accurate and timely information helps investors make rational investment decisions, facilitates price discovery, and reduces market volatility (Bushman & Smith, 2003). Investors rely on timely financial information to assess the performance and financial health of a company. Delayed or

incomplete reporting may lead to uncertainty and erode investor confidence, affecting stock prices and investment decisions (Cready & Martin, 2010).

Regulatory authorities, such as the Securities and Exchange Commission (SEC) in the United States, impose strict deadlines for financial reporting. Compliance with these deadlines is essential to avoid penalties, fines, or legal consequences (Financial Accounting Standards Board, 2020). To achieve timely financial reporting, companies must establish robust internal controls, streamline reporting processes, and ensure clear communication channels between relevant departments (Public Company Accounting Oversight Board, 2020). Leveraging technology and automation can also help expedite the preparation and dissemination of financial reports, improving overall efficiency and accuracy.

2.3.0 Actual review of the literature.

2.3.1 The types of internal control system used in the district local government

Granof & Khumawala, (2019). Stated that Segregation of duties is a fundamental principle in internal control systems aimed at preventing errors and fraud within an organization. It involves dividing key tasks and responsibilities among different individuals or departments to ensure that no single person or entity has control over all aspects of a particular process. This separation helps to minimize the risk of errors, fraud, and misuse of resources by creating checks and balances within the organization.

According to the AICPA, segregation of duties helps reduce the risk of errors or irregularities by ensuring that no single individual can initiate, authorize, and complete a transaction without independent verification or approval from another party.

Segregation of duties helps to distribute responsibilities among different individuals to prevent conflicts of interest and reduce the risk of fraud or errors COSO. (2013). Emphasizes that segregation of duties is critical for maintaining the integrity of financial reporting processes and safeguarding assets. He provides examples of how inadequate segregation of duties can lead to fraud schemes such as asset misappropriation and financial statement fraud. Knapp (2019).

Ruppel, (2020). Argues that Authorization procedures are very important aspect of internal controls within organizations, particularly in ensuring that activities are carried out in accordance with established policies and regulations. Authorization involves granting approval or permission for various transactions, activities, or decisions within an organization. This

control ensures that only authorized individuals have the ability to initiate, approve, or execute certain actions, thereby reducing the risk of fraud, errors, and unauthorized activities. (Sarbanes-Oxley Act (SOX)) Authorization procedures typically involve several such as establishment of policies and procedures, segregation of duties, level of authority, verification of authorization, and documentation and recordkeeping. Thus implementing authorization procedures, organizations can enhance their internal control environment and mitigate the risk of financial loss, compliance violations, and reputational damage.

Both Breeden & Frank, (2018). Stated that Safeguarding of assets is another type of internal controls within an organization. It involves implementing measures to protect the company's resources from theft, misuse, or damage. They also argue that this type of internal control aims to ensure that assets are utilized efficiently and effectively while minimizing the risk of loss. Frank, (2018). There are several components involved in safeguarding assets which includes physical controls such as locks, security cameras, access controls, and secure storage facilities. Physical controls are designed to prevent unauthorized access to assets and deter potential theft or damage, Employee training and awareness this is done by providing training and raising awareness among employees about the importance of safeguarding assets can help prevent incidents of theft or misuse.

Cosserat, and Rodda (2017). Regular monitoring is essential to ensure that safeguarding measures are being followed effectively. This may involve conducting internal audits, performing reconciliations, and reviewing security logs to detect any irregularities or unauthorized activities, technology controls that utilizing technology solutions such as encryption, firewalls, and intrusion detection systems can enhance the security of digital assets and sensitive information. Regular software updates and patches should also be applied to mitigate vulnerabilities. Breeden & Frank, (2018). Implementing these safeguards, organizations can reduce the risk of asset misappropriation, theft, or damage, thereby protecting their financial resources and preserving their reputation. These controls are essential for maintaining the integrity and reliability of financial reporting and ensuring compliance with regulatory requirements.

According to (COSO, 2013). Independent Verification and Review is one of the component of internal control. This involves conducting independent reviews and assessments of controls and processes to ensure their effectiveness and reliability. Regular internal audits, external audits, and management reviews are examples of independent verification and review.

Independent verification and review as type of internal controls within organizations, particularly helps in ensuring the accuracy and reliability of financial reporting. (Clikeman, 2018). This process involves the examination and assessment of financial information, transactions, and processes by individuals or teams who are independent of the operational and financial activities they are evaluating. (Khumawala, 2020). The purpose of independent verification and review is to provide an objective and unbiased assessment of financial data, ensuring compliance with regulations, accuracy of financial statements, and detection of errors or irregularities. This helps to enhance transparency, accountability, and trustworthiness in financial reporting.

Comprehensive policies and procedures are an essential component of internal controls an organization. (Ruppel, 2020). These policies and procedures serve as a framework to guide employees in carrying out their duties effectively and efficiently while ensuring compliance with laws, regulations, and organizational objectives. They encompass a wide range of operational, financial, and administrative activities within an organization. Clikeman. (2017) highlights the significance of well-defined policies and procedures in promoting accountability, transparency, and consistency in organizational operations.

Moreover, Michael C. Brannick, (2019) discusses the role of policies and procedures in establishing standard practices for job performance. He emphasizes that clear policies and procedures help employees understand their roles and responsibilities, reducing ambiguity and the likelihood of errors or misconduct. Cosserrat and Rodda, (2017). They suggest that effective internal controls, including well-documented policies and procedures, are essential for achieving operational efficiency and maintaining the integrity of financial reporting.

2.3.2 The effectiveness of internal controls on timely financial reporting in the district local governments.

According to Whetten. (2015). that effectiveness is a multi-dimensional process that measured the degree to which the set goals and objectives of an organizations programmes were obtained with due regard to operational effectiveness, programme effectiveness and organizational effectiveness. Programme effectiveness involves making a detailed analysis of the continuous relevance of a programme to an organization through assessing its cost effectiveness to the organization; Operational effectiveness involves making an assessment on whether the performance targets put forward by an organization were fully achieved. Organizational effectiveness involves measuring the overall capability of the organization to achieve its set

goals, plans and objectives, this implies that an organization should analyze both its internal and external environment and come up with clear strategies that will help it to achieve its set plans using the resources at its disposal (Zoogah D et al, 2015).Organizational effectiveness can be achieved both in the short run and long run depending on what the organization desires to achieve and the indicators of organizational effectiveness in the short and long run.

Arens, Elder, and Beasley (2014), Argues Internal control systems are designed to prevent errors and detect fraud in financial reporting processes. Internal controls provide assurance regarding the reliability of financial reporting by reducing the risks of errors and fraud. By establishing checks and balances, segregating duties, and implementing authorization procedures, internal controls contribute to the accuracy and integrity of financial data, thereby facilitating timely reporting. (Steinbart, P. J. 2012).

Effective internal control systems enable the timely identification and resolution of issues that may impact financial reporting. As stated by Albrecht, Stice, and Swain (2010), internal controls facilitate the early detection of errors or irregularities in financial information. Timely identification allows management to address issues promptly, minimizing delays in financial reporting processes.

Stice, J. D., & Swain, M. R. (2010). Internal control systems aid in ensuring compliance with regulatory requirements, which is essential for timely financial reporting. According to Romney and Steinbart (2012), internal controls help organizations adhere to laws and regulations governing financial reporting. Compliance with regulatory standards reduces the risk of non-compliance penalties and ensures that financial reports are prepared and submitted within stipulated deadlines.

According to Hayes, Dassen, Schilder (2014). Well-designed internal control systems enhance the efficiency and accuracy of financial reporting procedures. Wallage (2014) emphasize that internal controls streamline processes, improve data reliability, and reduce the likelihood of errors or delays in reporting. By promoting consistency and standardization in financial operations, internal controls contribute to timely and reliable financial reporting.

Internal control systems help mitigate risks associated with financial reporting, thereby supporting timely disclosure of financial information. Cosserat and Rodda (2016), Internal controls assist in identifying and managing risks that could impede the timely preparation and dissemination of financial reports. By implementing preventive and detective controls, organizations can mitigate risks effectively and ensure timely reporting to stakeholders.

2.3.3 Relationship between internal control systems and timely financial reporting in Arua district local governments.

Internal control systems in district local governments encompass policies, procedures, and mechanisms designed to safeguard assets, ensure compliance with laws and regulations, and facilitate reliable financial reporting (IFAC, 2014). These systems typically include segregation of duties, authorization procedures, physical controls, and regular monitoring to detect and prevent errors, fraud, and mismanagement (Knechel & Salterio, 2016).

Muraleentharan (2011) found internal control systems and timely financial reporting are significant in determining corporate goals. Internal control systems promote efficiency, reduce risks of assets loss and help to ensure the reliability of financial statements and compliance with the laws and regulations

According to (McGee et al., 2016). Timely financial reporting is essential for district local governments to communicate their financial performance, stewardship of public resources, and compliance with legal and regulatory requirements. Timely reports enable stakeholders to assess accountability, make informed decisions, and hold government officials accountable for their actions. Effective internal control systems enhance the accuracy and reliability of financial data by ensuring proper recording, classification, and reporting of transactions (Gelinias et al., 2019). This promotes the production of reliable financial reports within specified timeframes.

Cosserat, G. W., & Rodda, N. (2016). Internal control systems help ensure compliance with relevant laws, regulations, and accounting standards, providing assurance over the accuracy and completeness of financial information (CICA, 2013). Compliance with regulatory requirements supports the timely preparation of financial reports. Well-designed internal control systems streamline financial processes, reducing the likelihood of delays in financial reporting (COSO, 2013). By optimizing workflow and minimizing errors, these systems facilitate the timely completion of reporting tasks.

Internal control systems assist in identifying and mitigating risks that could impact the accuracy and timeliness of financial reporting (IFAC, 2014). By implementing controls to address risks related to data integrity, fraud, and compliance, these systems contribute to timely reporting. Lambert, T. E., & Sponem, S. (2012). Emphasized that effective internal control systems contribute to the production of reliable financial information. They argue that internal controls provide assurance on the accuracy and completeness of financial data, which in turn facilitates timely financial reporting.

Mukasa, A. (2016). Examined the impact of internal controls on financial reporting in local governments. He found that strong internal control systems enhance the efficiency of financial processes, reducing the likelihood of errors and irregularities. This efficiency ensures that financial reports are prepared promptly, meeting reporting deadlines set by regulatory authorities. Amidu, M., & Abor, J. (2006). Highlighted the importance of internal controls in enhancing the reliability and timeliness of financial reporting. They found that districts with robust internal control systems were better equipped to produce accurate financial reports within stipulated timeframes.

Janvrin, D.& Masli, A. (2013). Janvrin et al. explored the role of internal control quality in the timeliness of financial reporting. Their research indicated that effective internal controls streamline financial processes, reducing delays in data collection, processing, and reporting. Consequently, district local governments with well-designed internal control systems can meet reporting deadlines more consistently. Salterio, S. (2013).

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter focuses on the description of the methods used, interpretations and conclusions in the subsequent chapter based. It was specifically on the research design, population, sample design and procedure, data collection tools and data instruments, measurement of variables, data processing and analysis with anticipated problems.

3.1.0 Research Design

A cross sectional research design was used to get both qualitative and quantitative data. Then a descriptive research design was used to examine the obtained data while analytical research designs was used to establish the internal control systems on timely financial reporting in Arua district local government.

3.1.1 Area and scope of the study

This study focuses on Arua district local government which was a government entity offering services at Arua district located Arua hill division along Avenue road in Arua City. The emphasis was mainly on the internal control systems relationship with the organization`s timely financial reporting.

3.2.0 Study population

This study aims at targeting a population of 35 respondents who are mainly the staff of finance and administrative departments. These includes Head of internal audit, heads of finance, accounts assistants, internal audit staff, revenue generation, Human resource departments, project and grant departments and they were targeted because they were directly involved in management of the internal control systems and controls which entails financial aspects. On other hand, the financial staffs were included in this study because they manage and control the flow of funds in terms revenue and expenditures by providing financial statements

3.2.1 Sample size

The sample size of this study was determined by using Slovene`s formula,

$$n = \frac{N}{1+N(e)^2}$$

Where

n =sample size

N= size of the population

e= level of significance which is $(0.05)^2 = 0.0025$

Therefore

$$n = \frac{35}{1+(30 \times 0.05^2)}$$

$$n = \frac{35}{1+(35 \times 0.0025)}$$

$$n = \frac{35}{1.0875}$$

$$n = 32.2$$

3.3.0 Data sources.

During the study, both primary and secondary data collection method were used by the researcher. The primary data was obtained using questionnaire and interviewing method. Secondary data was obtained from existing documents and reports.

3.4.0 Instruments or tools for the study.

In this study, the researcher used various instruments or tools to collect sufficient data needed. The method that were used to collect data from the respondents includes questionnaire and interviews as discussed as follows.

3.4.1 Questionnaire.

Using this method, a list of questions related to the study were prepared by the researcher and supplied to willing staff members of Arua district local government. The questionnaires had a set of Identical questions related the research objectives and questions of the study.

3.4.2 Interview.

Interviewing method was done by selecting some specific people in order to get detailed information so as to address the problem of this study. Using the interview method, information was obtained by the researcher through inquiries and structured interviews, during open interviews notes were taken while talking with the respondents.

3.5.0 Validity and reliability of instrument

3.5.1 Validity

The validity test was carried out prior to administration of the research tools. This was basically done in order to find out whether the questions are capable of capturing the intended data. The validity was determined using the content validity index.

$$\text{Content validity index} = \frac{\text{Total number of items rated as relevant}}{\text{Total number of items judged}}$$

3.5.2 Reliability

Reliability is the measure of the degree to which a research instrument yields consistent results after repeat. Cronbach's Alpha coefficient was used to measure reliability of the instrument. or higher is sufficient to show reliability.

3.6.0 Ethical considerations

This study was carried out basing on the laws and regulations governing research. Permission to conduct this research was obtained from the relevant authorities.

CHAPTER FOUR

PRESENTATION, DATA ANALYSIS AND INTERPRETATION.

4.0 Introduction.

This chapter presents the findings, data analysis and interpretation of the results in line with the study objectives on the effectiveness of internal controls on timely financial reporting in the local governments of Uganda with Arua district local government as a case study. The findings were arrived at through administering questionnaires and carrying out interviews to the selected respondents at Arua district local government (ADLG).

This chapter also explains the general characteristics of the respondents specifically highlighting age distribution, level of education, gender and departments in the organization. Frequency tables were used to show the variations in the respondents' characteristics. The findings are shown in the subsequent analysis.

The findings were obtained by use of the two data collection methods these includes; Questionnaire and Interview methods. The questionnaire findings were coded, summarized, organized according to the study objectives and manually expressed in the form of frequencies and percentages and interpreted accordingly. It considered the respondents background information (35 respondents) and then moved to the research theme derived from the study objectives. Using the interview method, information was obtained by the researcher through inquiries and structured interviews where the findings were on the three study objectives only.

4.1 Background of the information of respondents

The background information was analyzed using descriptive characteristics that included describing the gender, age, level of education, and departmental characteristics discussed as follows.

4.2.1 Gender of respondents.

Table: 1 This table shows the gender distribution of the respondents.

This summary is derived from the questionnaire findings and is expressed in a table form

Gender	Frequency	Percentage (%)
Males	24	69%
Females	11	31%
Total	35	100%

Source: Primary Data 2024

From the table above, the majority of the respondents were males represented by 69% and were 24 in numbers, and 11 female respondents represented by 31%. This enabled the researcher to gather information from both sexes through the questionnaire method of data collection on the type of internal controls used in the district local government and the effectiveness of internal control systems on timely financial reporting in the district local governments. This implies that both genders are represented in the organization setting.

4.2.2 Age of respondents.

Table: 2 This table shows the age distribution of the respondents.

The questionnaire findings revealed the following on the age distribution of the respondents

Age group	Frequency	Percentages (%)
18 – 30	5	14%
31 – 35	9	26%
36 – 42	14	40%
43 Above	7	20%
Total	35	100%

Source: Primary Data 2024

From the table above, the majority of the respondents were represented by 40% and were 14 in number between the ages of 36 – 42 followed by participants between the ages of 31- 35 were represented by 26% with 9 numbers. this implies that the study involved different respondents with varying ages which provided the researcher with current information on the type of internal controls used in the district local government.

4.2.3 Level of education of respondents.

Table: 3 The table below shows the level of education of the respondents.

The questionnaire findings revealed the following on the level of education of the respondents.

Education level	Frequency	Percentages (%)
Primary	4	11%
Secondary	7	20%
Tertiary institutions	24	69%
Total	35	100%

Source: Primary Data 2024

Based on the table above, the biggest number of respondents is 24 from Tertiary institution represented by 69% followed by 7 secondary leavers which is represented by 20 %, and finally 4 Primary leavers respondents represented by 11%. This therefore implies that the study involved different respondents with different levels of education which provided the researcher with the available information on the study objectives.

4.2.4 Departments responses.

Table: 4 This table shows the department of the respondents.

The summary is derived from the questionnaire findings and is expressed in a table form

Departments	Frequency	Percentages (%)
Finance	10	28%
Administration	14	40%
Internal Audit	2	6%
Planning	3	9%
Works	6	17%
Total	35	100%

Source: Primary Data 2024

From the above table, in finance department there are 10 respondents represented by 28%, 14 were in administration represented by 40%. There were 2 respondents in internal audit represented by 6%. On the planning department there were 3 respondents represented 9% and finally 6 respondents in works with 17%. These findings were established through the researchers' questionnaire findings, with the respondents in the bid to find out what type of

internal controls used in the district local government and the effectiveness of internal control systems on timely financial reporting in the district local governments.

4.3.0 The types of internal controls in the district local government.

The findings of this objective are obtained from both the questionnaire and interview data collection methods and was analyzed using frequency and percentages.

Table: 5 Showing the types of internal controls in the district local government of Uganda.

Types of internal controls	Strongly disagree(1)		Disagree (2)		Not sure (3)		Agree (4)		Strongly agree (5)		Total %
	Freq	(%)	Freq	(%)	Freq	(%)	Freq	(%)	Freq	(%)	
Segregation of duties	1	2.9%	–	–	1	2.9%	13	37.1%	20	57.1%	100
Authorizations and approvals	1	2.9%	–	–	3	8.6%	7	20%	24	68,5%	100
Physical control	1	2.9%	2	5.7%	7	20%	12	34.3%	13	37.1%	100
Supervision	1	2.9%	–	–	1	2.9%	11	31.4%	22	62.8%	100
Internal audit	–	–	–	–	1	2.9%	9	25.7%	25	71.4%	100
Review of managements accounts	1	2.9%	–	–	1	2.9%	15	42.8%	18	51.4%	100
Budgeting	1	2.9%	–	–	–	–	7	20%	27	77.1%	100
Bank reconciliations	1	2.9%	–	–	2	5.7%	10	28.6	22	62.8%	100
Control accounts	2	5.7%	1	2.9%	8	22.9%	11	31.4%	13	37.1%	100
Existence of management duties	2	5.7%	–	–	1	2.9%	8	22.9%	24	68,5%	100

Source: Primary Data 2024

From the table above, 57.1%, 68.5%, 71.4, 77.1%, 62.8%, 51.4% strongly agreed that different types of internal control systems exist in Arua district local governments as compared to 37.1%, 34.3%, 31.4%, 25.7% and 42.8% who agree, this implies that different types of internal controls exist in the local government and they were used in the local government.

On the other hand, however 2.9%, 8.6%, 20%, 5.7% and 22.9% were not sure for the existence of the different types of internal controls as compared to the 5.7% and 2.9% who disagree with existence of the different types of internal control systems that were used in the local government.

The above findings bring out some key point to note. There is proper segregation of duties that involves proper allocation of responsibilities to different local government employees, proper recruiting of qualified personnel and remunerating them very well, the above internal controls contributes to fraud reduction, easier supervision of employees at the local government and proper and effective use of resources is attained which leads to the attainment of the objectives of internal controls (Milichamp, 2019).

Internal auditing is properly carried out at the local government to manage risks and promote proper governance that promotes proper accountability (Gupta 2005). Different budgets were prepared by the local government in order to control the finances of the local governments to achieve the set goals and objectives (Lucey, 2009), local government management accounts were reviewed quarterly to assess whether the objectives and set plans of the local government have been achieved this promotes efficiency and proper internal controls (Williams et al, 2016). Bank reconciliations were done monthly to ensure that the cash book balances match with the bank statement balances, when this is done it promotes proper decision making as well as proper internal controls and timely financial reporting at the local government (Larson, 2013).

On the other hand, however the table above shows some indifferences among the employees of the district local government on the types of internal controls. For example, 2.9%, 8.6%, 20%, 5.7% and 22.9% of respondents were not sure of the existence of control accounts, physical controls, authorizations and approvals and bank reconciliations, 5.7% strongly disagreed with existence of organizational controls and control accounts. These findings question the ability of the local government to allocate responsibilities to different employees at the local government. (Milichamp, 2019).

4.3.1 The effectiveness of internal controls on timely financial reporting in the local governments.

Both questionnaire and interview data collection methods are used to obtain the findings of this objective and also analyzed using frequency and percentages.

Table: showing the effectiveness of internal control system on timely financial reporting in the district local government of Uganda

Statements	Strongly disagree(1)		Disagree (2)		Not sure (3)		Agree (4)		Strongly agree (5)		Total %
	Freq	%	Freq	%	Fre q	%	Freq	%	Freq	%	
Accessibility	–	–	6	17.1 %	4	11.4%	15	42.9%	10	28.6%	100
Accuracy & reliability	–	–	8	22.9 %	12	34.2%	10	28.6%	5	14.3%	100
Transparency and accountability	–	–	4	11.4 %	3	8.6%	16	45.7%	12	34.3%	100
Consistency	–	–	2	5.7%	5	14.3%	8	22.9%	20	57.1%	100
Compliance with regulations	–	–	1	2.9%	1	2.9%	9	25.7%	24	68.5%	100
Relevance	4	11.4 %	6	17.1 %	15	42.9%	3	8.6%	7	20%	100
Timeliness	2	5.7 %	7	20%	11	31.4%	10	28.6%	5	14.3%	100
Continuous improvements	–	–	–	–	–	–	11	31.4%	24	68.6%	100
Risk management	–	–	2	5.7%	7	20%	9	25.7%	17	48.6%	100
Auditing	–	–	–	–	2	5.7%	11	31.4%	22	62.9%	100

Source: Primary Data 2024

From the table above, 34.3%, 57.1%, 68.5%, 48.6%, and 62.9%, strongly agree that effective internal controls have contributed to timely financial reporting in the local government as compared to the 45.7%, 25.7%, 28.6%, 31.4% and 25.7% who agree this therefore implies that

effective internal controls have contributed timely financial reporting in the local government. On the contrary 42.9%, 34.2%, 31.4%, 20% and 14.3%, were not sure of the effectiveness of internal controls on timely financial reporting as compared to the 22.9%, 20%, 17.1%, 11.4% and 5.7% who disagree with the effectiveness of internal controls on timely financial reporting. The above findings bring out some key points to note in the study:

There is evidence of achievement of effectiveness in the long run period such as Accuracy and reliability, transparency and accountability, compliance with the regulations and auditing at the local government, all this is attained by putting in place proper human, financial and technological resources at the local government which greatly helps in achieving the set goals and objectives at the local government.

Furthermore, most of the respondents stated that, auditing reports are prepared in quarterly basis that is (4) times in a year for schools, roads and health centers. This has also contributed to timely financial reporting since they are required to be submitted on time.

The study therefore revealed that internal audit has an effect on the organization performance more so in timely financial reporting. This implies that internal audit is a target and independent appraisal benefit in risk management, control and administration by measuring and assessing the viability in accomplishing organizations agreed goals. It is part of monotonous checking of the internal control frameworks of the organization and a methodology for assessing internal capital. In that capacity, it helps administrators and board of directors in the viable execution of their obligation.

Internal audit activity has been proved to have the potential to provide unparalleled services to management in the conduct of their duties which potential turns into a challenge and embodied in the new definition of internal auditing from the institute of internal auditors. This serves as an important link in the business and financial reporting processes of corporations and not for profit organizations as internal auditors play key role in monitoring a company s risk profile and identifying areas to improve risk management.

4.3.2 The relationship between internal control system and timely financial reporting in Arua district local government.

The findings of this objective are obtained from both the questionnaire and interview data collection methods and was analyzed using frequency and percentages.

Table: showing the relationship between internal control system and timely financial reporting in the district local government of Uganda.

Statements	Strongly disagree(1)		Disagree (2)		Not sure (3)		Agree (4)		Strongly agree (5)		Total
	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%	
The district local governments internal control systems have a strong relationship with timely financial reporting.	2	5.7%	5	14.3%	1	2.9%	12	34.3%	15	42.8%	100
The internal control systems used in the district local government has boost timely financial reporting in the organization	1	2.9%	1	2.9%	3	8.5%	14	40%	16	45.7%	100
Instituted controls enable proper and timely financial reporting in the district local government.	–	–	7	20%	5	14.3%	11	31.4%	12	34.3%	100
The accountability process in the district local government is aided by proper systems of internal controls implemented by management.	–	–	–	–	2	6%	13	37%	20	57%	100

From the table above, findings revealed that 42.8%, 45.7%, 34.3%, and 57% of the respondents strongly agreed that the internal control systems have a strong relationship with timely financial reporting compared with 34.3%, 40%, 31.4% and 37% who agree in the local government. While 2.9%, 8.5%, 14.3% and 8% were not sure about the relationship between the internal control systems and timely financial reporting in the local government when compared to the 14.3%, 2.6%, and 20% who disagree.

The study therefore revealed that there is a close relationship between internal control systems and timely financial reporting in the district local government since majority of the respondents strongly agree. This implies that internal control systems of an organization do affect timely financial reporting in an organization.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS.

5.0 Introduction.

This chapter presents a summary of the findings, conclusions and recommendations derived from the study on the internal control system and timely financial reporting in the district local governments of Uganda and the findings of the study were in line with the objectives and research questions.

5.1. Summary of the findings.

The summary of the findings is presented in accordance with the objectives of the study which includes; the types of internal control systems used by Arua district local government, ascertaining the effectiveness of internal controls on timely financial reporting in district local governments as well as examining the relationship between internal control system and timely financial reporting in local governments of Uganda and analyzed as follows.

5.1.1 Findings on the types of internal controls found in the local governments of Uganda.

The objective was to find out the types of internal control systems used in the local governments of Uganda, the findings revealed that the local government majorly uses budgets, Internal audits, physical control, authorization and approvals, organizational duties, and supervision as their internal controls, this therefore implies that the above internal controls were widely known and used by the Arua district local government (ADLG) staff which makes it easier for the staff to plan and account for all the finances in the local government.

However, some of the respondents were not sure of the existence of review of managements accounts as internal controls at ADLG, these indifferences greatly questioned the ability of ADLG to promote proper governance of the financial resources of the local government.

5.1.2 Findings on the effectiveness of internal controls on timely financial reporting in the district local governments.

The objective was to find out the effectiveness of internal controls on timely financial reporting in the local governments of Uganda, the findings for this objective revealed that timely financial reporting was achieved through regular monitoring, Compliance with the laws and regulations, segregation of duties, providing trainings and education to organization staffs,

comprehensive assessment of the existing internal control systems, and review of the internal control systems, and also sufficient allocation of resources. These measures have enabled the employees to produce timely and accurate financial reports, enabling better decision making and compliance with regulatory requirements. However, some of the respondents were not sure that proper internal controls at Arua district local government attracted investments, donations or grants given by the government to the local governments.

5.1.3 Relationship between internal control systems and timely financial reporting in Arua district local governments.

The objective was to find out the relationship between internal control systems and timely financial reporting in Arua district local governments. The findings from the study revealed a stronger positive relationship between internal controls and timely financial reporting this was because there was positive compliance with the laws, transparency, accuracy and integrity, risk management and also efficiency making the programmes, operation and organizational activities to run smoothly. Therefore, this implies that poor internal controls can hamper the attainment of timely financial reporting and proper operations of the entity.

5.2 Conclusions of the study.

Basing on the findings of the study, Arua District Local Government has several types of internal controls and these includes budgeting, authorizations and approvals, internal audits, Physical control, Organization duties, supervision and segregation of duties, these has helped the management in controlling the finances of the local government however there were challenges in implementing all the internal controls this has made it very difficult to ensure proper running of the organizations activities. On internal controls, the study therefore concluded that the internal controls at Arua district local government were appropriate and also there is a stronger positive relationship between internal controls and timely financial reporting in the district local government that makes service provision easier for the population, therefore proper internal controls increase the effectiveness of organizations operation and also timely financial reporting by workers in ADLG.

5.3 Recommendations of the study.

After analyzing the findings and the relationships of the study variables the researcher also came up with the following recommendations.

The internal control systems should be monitored on a quarterly basis to ensure that they are still relevant and are adhered to.

All the different internal controls should be implement in order to help in the attainment of effectiveness.

Further trainings should be organized to train the staff about the internal control systems used in the organization.

According to Gupta (2005). internal controls are very essential in the efficient and effective management of any business entity. The findings from the study revealed a stronger positive relationship between internal controls and timely financial reporting making the programmes, operational and organizational activities to run effectively. This implies that poor internal controls can hamper the attainment of set goals and objectives;

5.4 Limitations of the study.

Lack of cooperation from some respondents who wished to be bribed before volunteering their vital information, therefore the researcher only gathered data from those who are willing to participate at no cost.

Lack of sufficient time for carrying out the research as there were other course units to be concentrated on.

Inadequate financial support for carrying out the research which is another challenge faced by the researcher.

The procedures to be followed for instance getting permission from authorities and the cost delays data collection in the study.

Biasness of some respondents which limited the researcher from collecting data since some of them feared to deliver the councils details

Some of the questionnaires were not responded to as required by the research project and this limited the scope of the required data

5.5 Areas for further research

The study only investigated the internal controls systems and timely financial reporting in the local governments of Uganda but there are many areas in the local governments which may be studied, they include the following.

The effects of integrated financial management information systems on timely financial reporting in the local governments of Uganda.

The effects of internal auditing on financial management in the local government of Uganda.

The effects of service provision on local government budgeting in Uganda.

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APPENDIX 1: QUESTIONNAIRES

SELF-ADMINISTERED QUESTIONNAIRES

Dear respondent,

My name is **ARIAKA BENARD** am a student pursuing bachelor of science in accounting and finance at Uganda University, Mukono Campus, am conducting an academic research study on atopic titled: Internal Control Systems and Timely Financial Reporting in the district local governments of Uganda. (Case study of Arua district local government).

If you agree to participate, you will be required to answer the questionnaire that will be provided. Any information obtained from you will be treated as confidential and will be used only for the academic purposes.

I shall be grateful for your cooperation in this regard.

Section A: Biographical data

Please tick in the block that applies to you.

1. GENDER OF RESPONDENTS

a) Female

b) Male

2. AGE OF RESPONDENTS

a) 18 – 30

44 – 56

b) 31 – 43

Above 56

3. LEVEL OF EDUCATION

a) Primary

b) Secondary

c) Tertiary institution

4. DEPARTMENT RESPONDENTS

a) Finance

b) Administration

c) Internal audit

d) Planning

e) works

Section B

The types of internal controls in the district local government of Uganda.

Instructions

1. Please indicate your preference by marking with a tick in an appropriate block provided basing on the following statements. Using the 5 scale Likert model of; Strongly Agree (SA), Agree (A) Not Sure (NS), Disagree (DA) Strongly Disagree (SD)
2. State whether the internal control types listed below exist in the local governments.

Table: showing the types of internal controls in the district local government of Uganda.

Types of internal controls	Strongly disagree(1)	Disagree (2)	Not sure (3)	Agree (4)	Strongly agree (5)
Segregation of duties					
Authorizations and approvals					
Physical control					
Supervision					
Internal audit					
Review of managements accounts					
Budgeting					
Bank reconciliations					
Control accounts					
Existence of management duties					

Section C

The effectiveness of internal controls on timely financial reporting in the local governments

Instructions

1. Using the provided scale 1 – 5 tick appropriately one best response that best describe your response.
2. State your level of agreement or disagreement as to whether the internal controls are effective in the district local governments

Table: showing the effectiveness of internal control system on timely financial reporting in the district local government of Uganda

Statement on timely financial reporting.	Strongly disagree(1)	Disagree (2)	Not sure (3)	Agree (4)	Strongly agree (5)
Accuracy & Reliability					
Accessibility					
Transparency and accountability					
Consistency					
Compliance with regulations					
Relevance					
Timeliness					
Continuous improvements					
Risk management					
Auditing					

Section D

The relationship between internal control systems and timely financial reporting in the district local government.

1. Using the provided scale 1 – 5 tick appropriately one best response that best describe your response.
2. State your level of agreement or disagreement as to whether there is a relationship between internal controls and timely financial in the district local governments

Table: showing the relationship between internal control system and timely financial reporting in the district local government of Uganda

Statements on the relationship between Internal control systems and timely financial reporting.	Strongly disagree(1)	Disagree (2)	Not sure (3)	Agree (4)	Strongly agree (5)
The district local governments internal control systems have a strong relationship with timely financial.					
The internal control systems used in the district local government has boost timely financial reporting in the organization					
Instituted controls enable proper and timely financial reporting in the district local government.					
The accountability process in the district local government is aided by proper systems of internal controls implemented by management.					

APPENDIX 2:

INTERVIEW GUIDE.

Dear respondents, My name is **ARIAKA BENARD**, a student of Uganda Christian university - Mukono campus, I am currently carrying out a study for the purpose of writing research proposal as a requirement for the award of Bachelor Degree of science in accounting and finance under the topic: **“Internal control systems and timely financial reporting in the district local government of Uganda”**

You have been selected to participate in this study due to the importance of your information in the study. The information you provide will only be used for the purpose of this study and will be treated with utmost confidentiality. Kindly help me generate solutions to the following questions

What are the different internal controls that exist at Arua district local government?

.....
.....

How many internal audits are carried out annually in the district local government?

.....
.....

Accountability process is key in most organizations today, as a management team, what are the major way implemented to give adequate accountability to the management

.....
.....

Apart from the above mentioned types of internal controls, what other of internal control that management should implement in Arua district local government

.....
.....

Thank you for your co-operation.

APPENDIX: 3



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OUR REF: CR/ACC/220/1

30th April 2024

Mr. Ariaka Benard
Uganda Christian University
P O Box 04
MUKONO-UGANDA

PERMISSION TO CARRY OUT A RESEARCH FIELD STUDY

Reference is made to your letter dated 30th April 2024 requesting for permission to carry out data collection at Arua City on the Topic "**Internal control systems and timely financial reporting**".

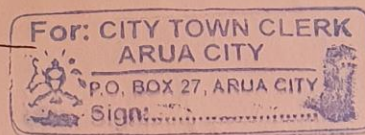
Permission is granted on the following conditions

1. The Data collected should strictly be used for academic Purpose.
2. You are expected to report to Senior Internal Auditor, Arua City for further information on the data collection

I therefore request the people concerned to assist you in giving the information and you are requested to deposit a copy of your findings to Central Registry, Arua City.

Yours,

Angudube Emmanuel
For: TOWN CLERK



- CC Director of Admissions & Student Records/Uganda Christian University
- CC Senior Internal Auditor/Arua City