

Influence of Internal Control Practices On the Financial Performance of Tea Processing Firms in Kenya: A Case of Tea Factories in Nyamira County

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Abstract

The study sought to assess the influence of internal controls on financial performance of Kenya tea factories. In the particular the researcher focused on these specific objectives: to determine the influence of segregation of duties on financial performance of Kenya and to evaluate the influence of internal checks on financial performance of Kenya tea factories. The study was conducted in tea factories in Nyamira County, because it is expanding with goods. This study, the researcher used a descriptive research design, because it is based on the fact given from the field as described in the study. The target population was comprised of 130 respondents in tea factories that involved employees from accounting-related sections, and audit sections of the tea factories. The sample size for this study was 98 employees working in accounts related sections, procurement and audits were selected from the entire population by use of stratified sampling method by applying Yamane formula as shown. Data was collected by use of a research questionnaire. Data collected was reorganized edited, coded and key in to the statistical programs for analysis then the coded data was analyzed using descriptive statistics such as, mean and standard deviation. The data was presented by tables and it indicated that segregation of duties had a negative influence on financial performance of tea firms. It was concluded that segregation of duties need to be done with utmost care to avoid the negative impacts of this variable. On compliance tests, the study established that there was need to have strong compliance tests within the firms in order to enhance the financial performance of the firms as this variable was found to positively affect the financial performance of the tea firms. It was also realized that internal controls and checks positively influence the financial performance significantly and therefore recommended that firms need to ensure that internal controls need to be instituted and enhanced for ultimate optimal financial performance.

Themes: Segregation of duties, Internal checks, Financial performance of Kenya tea factories.

1. Introduction

1.1 Background of the Study

The internal control is the measure taken by the organization to achieve goals. It involves the process of auditing used to protect asset of organization by means of financial statements for efficient performance to avoid any misuse of assets. While some of the measurement technique underlie in internal control on accounting records referred to as the father of internal auditing as well as defined by the global certified performance which draw round of the foundation of in the United States of America. Internal controls consist of measures in use through the business function of caring its property alongside deception, in addition to in efficiency. The changes of

internal control also duplicate the varying distinction of auditing in the indoors controls away from the reason of detecting fraud (Spira, 2013).

The AIA interpretation described internal check as control troubled nearly everyone is imperative by means of protecting money and additional property. In the fact that the changes in the definitions of internal control contain is frequently summarized to safeguard assets that to the audit consistency and internal control are considered as audit inspection The performance of internal control was reliable with the models of auditing. An internal audit control system was considered as an Internal auditing giving out which is a self-determining, arrangement in assurance and it is consulting progress designed to encompass of value and get enhanced an organization's process. The (COSO) clear its in-house controls in an integrated structure in the original audit framework which is widely used approximately in the world in the UK and Australia test (Raj TunUda 2002).

In a new the auditor's inspection is about the improvement of control philosophy in the past twenty years starting with the 1992 free of the control with the issuance of a control efficient (COSO, 1992). Reliability of financial reporting and agreement with applicable laws and regulations based on internal control with approval of buy and sell (Nancy T. 2008). The perception of internal control as a method in USA involve a system which as in material form in auditing standards and it is added in audit statements by qualified bookkeeping business, which has varied in excess of time and physically inside controls. There are, on the other hand, a number of similarities in the in auditing events that shaped professional declaration worried with inside control in the US are in the aspects of control that go beyond simple checking procedures (Kakucha, 2009).

In Kenya, Auditors are of self-determination by expression on the building block in the foundation for the public's expectation in the show function of ICS. The Goldenberg scandal, Anglo leasing dishonor, the phantom Ken Ren sale of Fertilizer Factory, transaction of grand regency lodge to foreigners, the current scandals during the ministry of education and the transport partition in excess of the wait in the new ferries which has astute the debate on integrity of ICS in progress of demands by stakeholders of organization considered for bigger accountability from managements of audit committee, managerial management or other levels of supervision; it would likely to go for further services of Internal Audit as a way of internal control systems (Bamweyana, 2009).

1.2 Statement of the problem

Tea firms in Kenya have been poorly performing and have not been exhaustively focused on. Any changes of internal control are duplicated by considering accounting policies put in place to distinct any misappropriations in control evidence in their internal controls variability reasons in detecting fraud and error (Spira, (2013). The efforts of internal controls are reliable with the proper accounting records. An internal control system is carefully scanned to promote assurance. Internal check is designed to give value for everyone to get encouraged in verifications (Gerrit 2010). Although various studies have been done on the impact of internal controls in different nations, the view of the internal control and financial performance remain an ongoing challenge which has been argued. The controls in hand are not in nature meant to control performance (Ewa, 2012).

Financial performance measures the growth of a firm over a given period of time and therefore an element important in comparing similar firms across the same industry. Many opinions have been raised on the measurement financial performance, in the quest to answer the question of

what controls is the best measure and under what conditions the controls will be used to provide sufficient results in relations to the internal controls under investigations. Empirical studies have been reviewed on return on equity and return on asset as the financial ratios to measure financial performance. Various studies have indicated mixed results between internal controls and financial performance. Bamweyana, (2009), did a study of the influence the role of internal control on audit function in organizations on the financial performance of hospitals within Nairobi. He subsequently acknowledged an important link between internal control systems along with financial performance.

Ndungu H. (2013) studied the influence of internal controls in Revenue collection in Kenya the stage of usefulness of internal controls on operating machine in Nairobi which he concluded that there was in a number present to insufficiency in the ICS, by means of the extent of shortage unreliable. Njui (2012) examined the achievement of internal control on corporate governance in the civic division inside Kenya in addition he carried into being that in-house control have the furthestmost consequence on corporate governance surrounded through ministries go after by risk managing at the same time as conventionality to smallest amount of outcome. A review of KTDA Report of (2016) the tea firms have been on strategy to improve its financial performance by internal controls. It is however not clear which internal controls are on tea firms managed by KTDA. Therefore, this research sought to examine the internal controls practices and their effect on financial performance of tea processing firms in Kenya.

1.3 Objectives of the Study

The study sought to assess the influence of internal controls practices on financial performance of Kenya tea factories. In the particular the researcher focused on these specific objectives:

- i. To determine the influence of segregation of duties on financial performance of Kenya tea factories.
- ii. To evaluate the influence of internal checks on financial performance of Kenya tea factories.

2. Literature Review

2.1 Agency Theory

Theory was adopted by Morris in 2011 and argued that the principle of agency is where the owner of the business appoints one to represent his activities in business. The owner of the business gives the agent power to control the business. Therefore, this theory is adopted by this study again to come up with the relationship of agency means of carrying audit in the organization. Internal controls has many activities carried in it and it states that division of roles in auditing is the control which can be done by management but now done by internal auditors as the agent of the organizations' activities from the management who act as the owner of the business to the auditors as the agent of the accounting records. Internal auditor act as the management of the organization in reporting non conformities, the auditor is the agent who is given power to control everything on behalf of the owner or management.

The theory argued that the agent have knowledge to control on all business activities of business more than their owners thereby auditors are the agents who have good ideas on the internal controls system on which are specific (Okaro and Gloria 2012). The theory believes that if management was intervening control activities in order to manage business they should comply with the auditors, then internal auditor would expect to find further control systems in order to

organize flaw related issues to all business controls, even if the precise internal controls are efficient. Bhatia (2013), come up with the theory in internal control which is part of the positivist group of theories which derives from the financial contracts between the owners of trade and industry income and supervisors who are charged with using and controlling those resources.

Internal auditor has enough information about internal control in the organization than management does have the knowledge how to control activities without holding their benefits. In this theory the auditor has knowledge to control and their benefits are correctly provided by the agents (Ndungu 2013). It describes organizations as the main structure to control contracts through possible internal controls to reduce reckless behavior of users of organization assets. This means that the agents are self-seeking with the aim to expect positivity controls with taking care to act nearby to the benefits of the management of the organization. Agency theorists are likely to monitor internal auditors than accounting records in statutory audit as a control and as a result of managers to minimize overpricing model of the production audit control systems, but the same indication is made to the managers to be serious and comply with whatever raised by internal auditors if is not intense to act as usual. In detecting errors, the internal control is a managerial tool to internal auditors which provides feedback to management assertions when the external audits come to determine the balance of business activity and their compliance attentions. On behalf of managers they draw controls away from operational descriptions of organizational operations substantiation of decision process.

Gerrit (2010) established that the internal control systems it applied in audit confirmation to maintain an eye on Audit section by the study of the relationship of internal audit on internal control systems on financial performance in auditing in financial performance is one region that is given a lot of meaning all over the world, it has been broadly researched by the organizations. Rick (2015) did a study of the influence of internal control systems on financial performance. The study adopted description design and analyzed by percentage and means, the findings indicated that internal control affect financial performance. A group of ICS has been in control on financial appearance, and external auditors are normally placed with a lot of weight in internal controls guarantee sustainable and enhanced financial performance. Risk management is structured and consistent in continuous process for identifying risk in internal audit departments, considerations are being taken to accounting transaction (Rezael *et al.* 2014).

2.2 Shiftable Theory

This theory was proposed in United State of America by Moutoln in 1918, this theory analyses the assumptions of shifting most liquid assets in form of controlling material loss and specified to achieve minimum cost by maintaining total value of the assets to be taken or shifted to banks when they need occur. The theory internal control systems hold that movement of goods from one place to other within the market is transferable without alterations. When it comes to general transactions crisis in the company to maintain their liquidity shifted to the banks. The theory holds that the progressive nature of the firm is controlled without any loss in order to maintain more customers with the expense incurred in shifting image.

Thus the theory is useful to banks in offering loans and firms in retaining more and more customers in provide them credit card bonuses in shift ability theory unsuccessful to differentiate assets liquidity in the individual sections in firms in business (Arjan, 2014). It is an arithmetical model in operations which is used to determine most encouraging units of output remains for the next day. It is used on people who are selling newspapers which is based on counting the daily

news paper and there immediately approximate the numbers for the next day. It is characterized through monotonous prices and doubtful claim for a consumable product in a day following to the other. This representation is also known as newsvendor problem by means of analogy counting newspapers through which the shape of affairs faced by a newsvendor who have got to come to a decision on how many copies of the day’s papers to stock in countenance of unconvinced demand as well as facts that unsold copies will be worthless at the end of the days.

2.2 Conceptual Framework

The conceptual framework showed the independent variable (internal controls) and (dependent variable) financial performance as in figure 2.1.

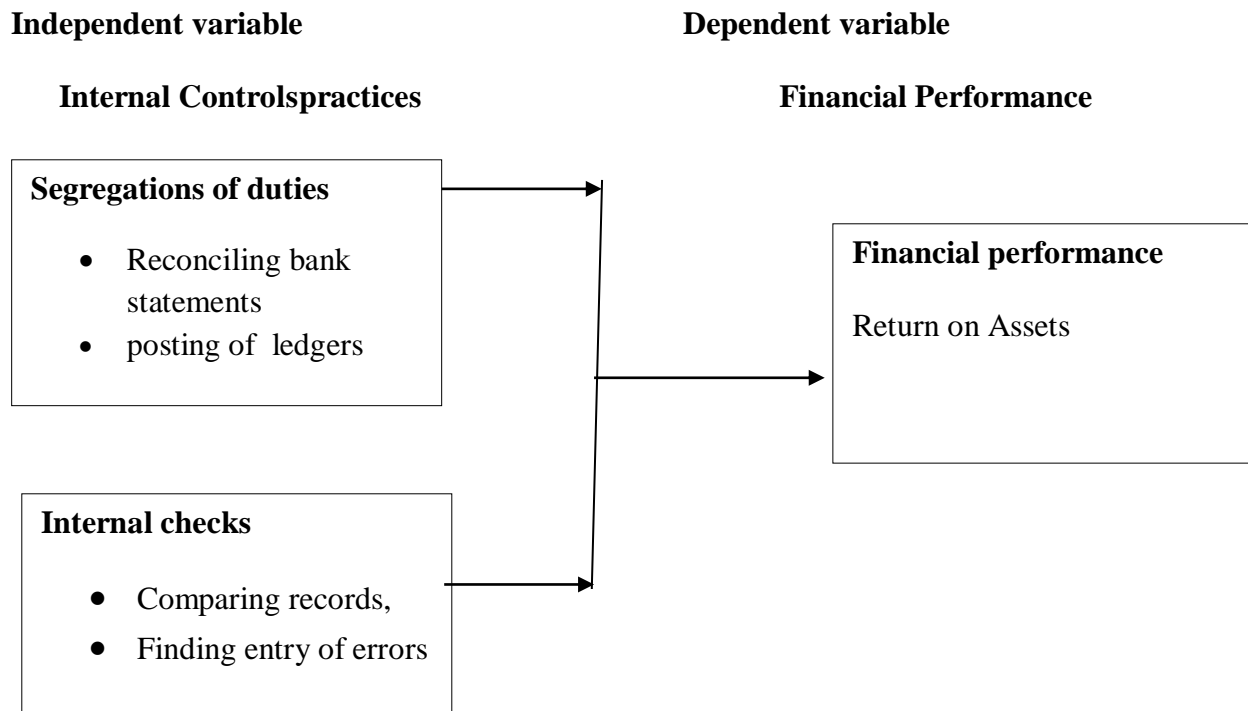


Figure 2.1 Conceptual framework

In the conceptual framework, internal controls practices are; segregation of duties, and internal check are the independent variable and financial performance is the dependent variable; return on assets.

2.3 Empirical Review of Literature

2.3.1 Segregation of Duties

Ndamenemu Douglas (2013) conducted a study on the influence of internal control of organization performance and found out that there are measures adopted by banks to improve their segregation of duties. The aim of the study was to indicate level of internal control system on performance. The study used cross sectional research design with descriptive statistics in analysis. The study targeted 74 employees in business enterprise selected at random; these act as

an indicator of controlling several misuses of materials in business. Hayes, (2015) in his study of segregations hold that segregation of duties is a fundamental internal administer and time and again one of the most difficult to realize, especially in a small operation. The basic concept for segregating duties is that no single person being is invented to have in charge of larger than all phases of a transaction. Ideally, the internal control is unable to get positive segregation in verifying what type of business transactions to perform in the accounting and auditing custody dependable in part of individuals. The Goldenberg scandal, Anglo rental disgrace, the apparition Ken Ren sale of Fertilizer Factory, transaction of grand regency hotel to foreigners, the current scandals in the ministry of education as well as the transport subdivision over the industrial action in the new ferries has judicious the deliberate on reliability of ICS (Allen 2011).

Pany (2011) did a study of the influence of internal auditing on monitoring activity of a firm; the objective of the study was to find the influence of internal audit and monitoring competence. The study found out that is internal control is task of internal auditor and it has to affect monitoring evaluation in terms of business operations. The study recommended for further studies of internal controls. Sebbowa, (2009) his study argued and added that internal auditing is a supreme ruler to control accomplishment as it premeditated to attach worth of materials in addition to shift on organizations production systems. The study concluded that internal control assists safety combination of policies to attain goals through usual process, open come close to charge and get better the risk management control and control procedure.

Whittington internal audit is frequently worried in significant whether a department has a clear sympathetic of its task, is sufficiently staffed, maintains first-class records with other unit the internal auditor normally reports to the top management. Okaro and Gloria (2012) did a study on the influence of communal inspection on resourceful liability mechanism Nigeria. The Purpose of the study was to see the sights of challenges constraining communal division on resourceful liability. From his findings he did not give enough of self-determination of the internal audit enterprise, underprivileged accounting not have of managerial ability, the unacceptable routine of PAC, unfortunate make use of expertise pretense serious challenges facing unrestricted region check as an influenceive liability tool in internal control system arrangements in Nigeria.

In Nigeria, Ahmed, (2011) and Millichamp, (2008) argued that the process of internal control systems is an occurrence of audit control techniques. The infrastructural regulatory commission is only empaneled by an act of 2005 at the same time as internal control is an ingredient strip of no more than control mechanism. The infrastructure is used to allow controls surrounded by other things in order to defense waste of all allowance accorded and entered into by the Federal Government and make certain resourceful implementation. Even then harsh training has been learnt on or subsequent to the hardly any development that have been assume underneath this novel and increasingly popular understanding. The controls subsequent encompass has been fingered as some of the troubles of ICS management in Nigeria.

2.3.2 Internal Checks

Mohammad, (2012) did study on the influence of internal audit check on financial performance in an establishment of edification in Pakistan and also Kimotho (2011) conducted a study on the study of Factors Affecting Internal Audit Independence using 56 employees as a target populations of Technical University of Mombasa. The main objective of the study was to found

the factors moving internal audit independence at the Technical institution of higher education of Mombasa and variety of variables that compromised it. The findings show that when the raw material reaches the warehouse, the manager expect that the store man knows exactly what kind of material it is, how it has to be stock up to defend it from worsening as well as how it should be used. Managers expect that he could observe latent for performance within the business and that his salary or remuneration is commensurate with his responsibilities. This is intended at ensuring that the internal controls will continue to operate as intended. This is achieved by monitoring appraisal (Ray, 2011).

According to Raja Tun Uda, (2012) the add to business outrage counting WorldCom and Parmalat to person's name a few have ended to focal point like mad on the question of auditor self-determination. These financial scandals and company failures are confirmed to have had a damaging consequence on the unrestricted observation of auditors. As raised by O'Malley (1993), the issues related to sovereignty are intimidating the continued existence of bookkeeping firms of internal checks in all sizes and it has the power to destroy the bookkeeping line of work as a whole. It is therefore, vital that auditors maintain their internal check and ensure that they provide a high value of auditing to make certain the credibility of financial information not only for the purpose of reducing the number of business disgrace but most prominently the continued existence of their profession (Abu Bakar, 2016).

3. Research Methodology

In this study, the researcher used a descriptive research design. It was based on descriptive design, because it is based on the fact given from the field as described in the study. It was applied to this study to obtain information with respect to study variables. The target population of 130 respondents in these tea factories that involved employees from accounting-related sections, and audit sections of the tea factories formed the accessible population. Inferential statistics were used to give final conclusion of the study.

4. Research Findings and Discussion

4.1 The influence of segregation of duties on financial performance

The study sought to determine the influence of segregation of duties on financial performance of Kenya tea factories. The study tested the respondent level of agreement and showed table 1.

Table 1 Influence of segregation of duties on financial performance

	N	Mean	Std. Deviation
Allocation of tasks are formulated to each task such as receiving of cash and reconciling bank statements	85	3.5412	1.20072
There are task for who review critical document done by individual in posting ledgers	85	4.0000	.88641
There is one who do bank reconciliation after bank deposits	85	3.3529	1.25077
The staff can performs stock taking task given by stock vendors	85	3.5176	1.11922
There is separate mailing of payments.	85	2.0235	1.15446
Division of role is a basis of segregation of duties	85	1.9529	1.17419
Internal audit provide upon integrity	85	1.7647	.82588
Provide evidence for every transactions	85	3.6588	.94558
Ensure management directives are carried out appropriately	85	3.6824	1.08245
Set divisions of work by reducing workload	85	4.2471	.96246
Entitled to provide any reliance to preliminary controls	85	3.9882	.73183
It enable reasonable assurance	85	3.9412	1.01598

The study showed that set divisions of work by reducing workload had a mean of 4.2471 with a standard deviation of .96246, There are task for who review critical document done by individual in posting ledgers which had a mean of 4.0000 with a standard deviation of .88641, Entitled to provide any reliance to preliminary controls had a mean of 3.9882 with a standard deviation of .73183, It enable reasonable assurance had a mean of 3.9412 with a standard deviation of 1.01598, Provide evidence for every transactions had a mean of 3.6588 with a standard deviation of .94558, Ensure management directives are carried out appropriately had a mean of 3.6824 with a standard deviation of 1.08245, There is one who do bank reconciliation after bank deposits had a mean of 3.3529 with a standard deviation of 1.25077, The staff can performs stock taking task given by stock vendor had a mean of 3.5176 with a standard deviation of 1.11922, Allocation of tasks are formulated to each task such as receiving of cash had a mean of 3.5412 with a standard deviation of 1.20072, There is separate mailing of payments had a mean of 2.0235 with a standard deviation of 1.15446, Division of role is a basis of segregation of duties had a mean of 1.9529 with a standard deviation of 1.17419, Internal audit provide upon integrity had a mean of 1.7647 with a standard deviation of .82588.

From the results, it was established that Set divisions of work by reducing workload had the highest mean of 4.2471 with a standard deviation of .96246, Division of role is a basis of segregation of duties had the smallest mean of 1.9529 with a standard deviation of 1.17419, Internal audit provide upon integrity had a mean of 1.7647 with a standard deviation of .82588. These findings support the findings of Okaro and Gloria (2012) that found out that internal segregation of duties did not enhance the financial performance of an organization but the strict adherence to accounting principles did.

4.2 The influence of internal checks on financial performance of Kenya tea factories.

The study sought to evaluate the influence of internal checks on financial performance of Kenya tea factories. The result was presented in table 2

Table 2 the influence of internal checks on financial performance

	N	Mean	Std. Deviation
Our factory has clear separation of roles	85	4.2353	.76605
Our employee work checked by others	85	3.5882	1.15773
We have appropriate supervision by senior staff	85	3.9059	1.00740
We use Information accessed with consent of no expense	85	3.7059	1.10004
We use Security systems to safeguard assets	85	3.0059	1.05361

The result showed that tea factory has clear separation of roles which had a mean of 4.2353 with a standard deviation of .76605, tea factories have appropriate supervision by senior staff had a mean of 3.9059 with a standard deviation of 1.00740, tea factories use Security systems to safeguard assets had a mean of 3.0059 with a standard deviation of 1.05361, they use Information accessed with consent of no expense had a mean of 3.7059 with a standard deviation of 1.10004, Our employee work checked by others had a mean of 3.5882 with a standard deviation of 1.15773. From the result, it was shown the result showed that tea factory has clear separation of roles which had a mean of 4.2353 with a standard deviation of .76605, and employee work checked by others had a mean of 3.5882 with a standard deviation of 1.15773. The findings of this study agrees with Muhammad (2011) who did a study in Pakistan and established that internal checks enhance the management efficiency and Abu Bakar (2015) who suggested that internal checks make certain the credibility of financial information not only for the purpose of reducing the number of business disgrace but also support the existence of professionalism.

The study used Pearson correlation to determine the relationships between the aspects of internal control system and financial performance which was measured at significant level of 5%. Table 3 showed the result.

Table 3 Correlation matrix

		segregation of duty	compliance test	Internal check	Financial performance
segregation of duty	Pearson Correlation	1	.241*	.399**	.111
	Sig. (2-tailed)		.026	.000	.314
	N	85	85	85	85
Internal check	Pearson Correlation	.399**	.376**	1	.284**
	Sig. (2-tailed)	.000	.000		.008
	N	85	85	85	85
Financial performance	Pearson Correlation	.111	.815**	.284**	1
	Sig. (2-tailed)	.314	.000	.008	
	N	85	85	85	85

*. Correlation is significant at the 0.05 level (2-tailed).

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

From table 3 the study sought to find the effects of financial performance by correlations matrix. It was found that there was a positive significant relationship between independent variables; segregations of duty, and internal check were positively correlated where Internal check at .399* (.000), on financial performance.

Regression analysis was conducted to establish the relationship between variables. Multiple regression models established the relationship between internal control system and financial performance through computation of the regression coefficients of linear function as given in this model as presented as $Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2$

Regression analysis was used to establish the relationship between variables. Multiple regression models established the relationship between internal control system (Internal check, and segregation of duty) on financial performance as shown in the regression coefficients of linear function as given in this model.

$$Y = .485 - .107X_1 + .015 X_2$$

Table 4 Regression Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	.485	.436		1.113	.002
1 segregation of duty	-.107	.079	-.094	-1.350	.181
Internal check	.015	.133	.008	.115	.909

a. Dependent Variable: Financial performance

Table 4.18 shows the result of the regression analysis. The study revealed that; when other factors were held constant, financial performance was at .485(48.5%). An increase in segregation of duty by a unit led to a decrease in financial performance by 10.7%. A unit improvement of internal check led to 1.5% increase in financial performance and only compliance test was statistically significant at 12.067(.000).

5. Conclusion and Recommendations

5.1 Conclusion of study

The study sought to determine the influence of segregation of duties on financial performance of Kenya tea factories. The study showed that set divisions of work by reducing workload, there are task for who review critical document done by individual, Allocation of tasks were formulated to each task such as receiving of cash and Internal audit provide upon integrity. From the results, it was established that set divisions of work by reducing workload, division of role is a basis of segregation of duties and internal audit provide upon integrity. There was a positive relationship between segregation of duty and financial performance of tea factories. The study sought to assess the influence of compliance test on financial performance of Kenya tea factories. The result concluded that tea factory comply with accounting figures are material and comply by engaging tests of signature and code of every transaction. Compliance test was positively associated with financial performance of tea factories.

The study sought to evaluate the influence of internal checks on financial performance of Kenya tea factories. The result concluded that tea factory has clear separation of roles with appropriate supervision by senior staff. Further tea factories employee work has to be checked by others.

Regression analysis was conducted to establish the relationship between variables. Multiple regression models established the relationship between internal control system and financial performance through computation of the regression coefficients of linear function. The study shows the result of the regression analysis. The study revealed that an increase in segregation of duty by a unit led to a decrease in financial performance. A unit increase in compliance test also led to an increase in financial performance. A unit improvement of internal check led to increase in financial performance. The study sought to determine the influence of segregation of duties on financial performance of Kenya tea factories. It is recommended that division of role should be based on a basis of segregation of duties which internal audit provide upon integrity.

The following recommendations were derived from the results, findings and conclusions of the study. The management of tea processing firms should exert collective efforts in identifying the ideal mix of effective and efficient internal control systems that matches their business needs and invest in them. The managers should embrace enterprise risk management and good corporate governance to maximize on the financial benefits of internal control systems. Good corporate governance will not only ensure that management does not override the internal controls but also help in reducing corruption and assist in enhancing financial performance of tea processing companies quoted in Kenya. The management should also ensure that their organizations have strong internal control environment where internal control activities inform of policies and procedures are adequate. The control environment and control activities should on a regular basis be evaluated by internal audit department to provide management with the assurance on the adequacy and effectiveness of mitigation controls that management has put in place.

This study however recommends that in order for the organization to ensure maximum returns, the functions of the firm must be divided with much care. Segregation of duties if not done carefully, may lead to adverse performance. This is supported by the findings of this study that indicate that the segregation of duties has a negative effect on financial performance of the tea processing firms. This means that the way these firms have been allocating duties to various operational functions of the firms has not been done well and therefore this research suggests that, in order to change this trend, there needs to be a look at how the duties are segregated and follow ups made to ensure that this function does not negatively affect the financial performance of the organizations. The management of the tea processing firms needs to adopt the practice of lean management and avoid duplication of duties, reduce the rates of redundancy and ensure efficient management of resources without encouraging unnecessary allocation of duties to the employees.

Despite the contributions made by this study, it highlights a few aspects to be considered by future researchers. Firstly, the propositions put forward in this study emphasize the importance of having efficient and effective internal control systems in companies. The study focused on tea processing companies which are highly regulated by the Kenya Tea Development Agency. Internal checks seemed to have much impact on financial performance than segregation of duties. This means that if the two key determinants of financial performance are fixed in corporate entities there will be less corruption and financial scandals which will lead to enhanced financial performance.

Subsequent studies should consider replicating this study in the companies of other sectors in Kenya in order to establish the role of internal audit in companies especially Agricultural and

other associated companies. Secondly, future research may attempt to replicate the study in different economies to confirm the role of internal control systems and corporate governance on financial performance of companies in other sectors of the economy.

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