

**MAKERERE**



**UNIVERSITY**

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**EFFECTIVENESS OF INTERNAL CONTROL ACTIVITIES AT  
EQUITY BANK UGANDA: A CASE OF EQUITY BANK  
HEADQUARTERS**

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**BY**

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**2023/HDO6/23136U**

**A RESEARCH REPORT SUBMITTED TO THE COLLEGE OF BUSINESS AND  
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MASTER OF BUSINESS ADMINISTRATION OF MAKERERE UNIVERSITY**

**PLAN B**

**JUNE, 2025**

**DECLARATION**

I, Amulen Faith, affirm that this research is solely my original creation and has not been previously presented to any university or academic institution for the attainment of any qualification.

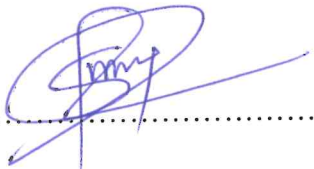
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**Amulen Faith**

**2023/HD06/23136U**

**APPROVAL**

This is to confirm that the report titled “Effectiveness of Internal Control Activities at Equity Bank Uganda: A Case of Equity Bank Headquarters” has been prepared under my supervision as the candidate’s university supervisor and is now ready for submission.

Signed  ..... Date 23/10/2025 .....

Supervisor: Dr. John Ogema

## **DEDICATION**

This report is sincerely dedicated to the Almighty God, whose guidance and strength have sustained me throughout my MBA journey. I am profoundly thankful to my parents Mr. Ecodu David and Mrs. Akello Sarah and my entire family for their unwavering support during the entire course of my studies. I also extend deep appreciation to my supervisor, Dr. John Ogema, for his invaluable professional mentorship. Together, these sources of encouragement and direction have formed a solid foundation that made it possible for me to complete this academic work.

## **ACKNOWLEDGEMENT**

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May God bless you all

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## **LIST OF ABBREVIATIONS AND ACRONYMS**

CoBAMs	College of Business and management science
CVI	Content Validity Index
GDP	Gross Domestic Product
IIA	Institute of Internal Auditors
KPMG	Klynveld Peat Marwick Goerdeler
MBA	Master of Business Administration
MFIs	Microfinance Institutions
SD	Standard Deviation
SPSS	Statistical package for social scientists

## ABSTRACT

This study investigated the effectiveness of internal control activities at Equity Bank Uganda. The study was premised on three objectives; to examine the internal control activities employed by Equity Bank Uganda, to establish the factors affecting the implementation of internal control activities at Equity Bank Uganda, and to suggest the strategies that can be put in place to boost implementation of internal control activities at Equity Bank Uganda. The study employed a descriptive research design, and adopted a quantitative study approach, which involved collecting numerical data from 122 Equity Bank staff, using simple random sampling through survey questionnaire. Data were analyzed using the statistical package for social science (SSPS Version 27). The study found that the implementation of internal control activities at Equity Bank Uganda is moderately effective but faces several organizational and operational challenges. Key barriers include poor communication, frequent regulatory changes, inadequate staffing, high turnover, and limited training, all of which hinder consistency and compliance. While foundational systems are in place, technological limitations and procedural complexity further constrain effectiveness. To address these issues, respondents recommended strategies such as regular internal audits, regulatory alignment, and performance-based incentives, alongside moderate support for staff training, technological investment, and fostering accountability. These findings suggest that targeted improvements in leadership engagement, communication, and capacity-building are essential to strengthen the bank's internal control framework. The study recommends prioritizing robust staff training initiatives to deepen employees' knowledge of internal control systems, promote adherence to institutional policies, and minimize resistance to organizational changes. It also advocates for the automation of critical control functions to boost accuracy, reduce human error, and enhance efficiency in monitoring activities. Strengthening communication across departments is recommended to improve coordination, ensure uniform policy implementation, and facilitate timely exchange of information. Additionally, the study highlights the need to advance risk assessment practices by establishing specialized teams and embedding proactive fraud detection and environmental scanning into regular evaluation processes.

## CHAPTER ONE

### INTRODUCTION

#### 1.1 Background of the study

Globally, internal controls have gained prominence over the years because of a number of undeniable corporate scandals that have cost organizations huge chunks of their finances leading to the collapse of some (Meintjes, 2013). To guarantee the efficient and cost-effective operation of the corporate entity and management in the execution of various duties, the management employs a variety of techniques and procedures known as internal control (Olwol, Byamukama, Kayongo & Tukundane, 2022). To ensure that the organisation stays on track to fulfil its mission and accomplish its goals, as well as to reduce unexpected expenses, internal control activities have to be implemented (Olwol et al., 2022).

Internal control dates back to the 1940s in the United States, when it was first used. Over time, it has grown in importance as a management tool in the majority of businesses (Hayes et al., 2012). The first nation to implement expert guidelines on internal control was the United States. As American audit techniques began to diverge from those employed by the British profession, internal control began to take on more significance for auditors operating in the United States (Spira & Gowthorpe, 2018). Specifically, they shifted their focus from fraud to financial reporting and were employed as a means of improving the performance of organisations (Feyisayo & Odunayo, 2019). Improving the company's internal control activities is the most efficient approach to lower the amount of irregularity and fraud and increase organisational effectiveness. Investors must have confidence that their funds are being allocated effectively and efficiently to deliver the appropriate service at the appropriate cost (Cherono, 2017).

Africa has seen growing concern among banks and scholars regarding the effectiveness of internal control practices, primarily due to persistent incidents of fraud and unethical behavior involving both staff and customers (Aksoy & Mohammed, 2020; Negash, 2018; Vulley, 2022). In Ghana, Aksoy and Mohammed (2020) observed that banks face significantly higher risks compared to other financial institutions, necessitating a greater emphasis on risk assessment and mitigation strategies. Meanwhile, in Ethiopia, Negash (2018) noted that although many banks have implemented human resource development plans, these efforts remain underdeveloped. The control environment also requires substantial enhancement to adequately protect financial institutions' critical assets from fraudulent activities, as highlighted by Mignola et al. (2016).

Uganda's banking sector continues to grapple with difficulties in effectively implementing internal control systems, which has led to persistent challenges. The Bank of Uganda (2019) highlighted delays in addressing internal control weaknesses, contributing to widespread fraud, including the exploitation of payment system infrastructure and staff collusion (Turyahebwa et al., 2022). Interpol (2021) reported that banks in Uganda face near-monthly cyberattacks, yet often remain silent to prevent causing panic among clients. Further, data from the Uganda Bankers Association (2022) revealed that digital banking fraud makes up 31.9% of all reported incidents, with a staggering 91% of these attempts resulting in financial loss. In addition, the Interpol report mentions that UGX 14.4 billion was lost in 2021 due to more than 200 cases of bank fraud in Uganda. These challenges are rooted in fragile control frameworks, insider cooperation, technological loopholes, and regulatory shortcomings highlight the urgent need for more robust internal controls to safeguard financial stability (Turyahebwa et al., 2022).

At Equity Bank Uganda, internal control activities are designed to enhance operational efficiency, ensure regulatory compliance, and safeguard organizational assets. These controls include the segregation of duties to minimize the risk of fraud, the implementation of authorization protocols for approving transactions, and the use of physical security measures to protect cash and other valuables (Equity Group Holdings Plc., 2023). Additionally, the bank conducts regular reconciliations of financial records, performs periodic audit reviews, and utilizes advanced information systems to monitor performance and ensure accurate reporting (Equity Group Holdings Plc., 2023). These controls do not seem to be effective internally. This is because although there are internal control activities established such as the framework for various internal control mechanisms in place Equity Bank Uganda has encountered persistent challenges issues such as fraud, embezzlement and fund misappropriation (Kamusiime, 2024). According to the financial statements of the bank, there is a significant decrease in profits over the years with an increase in losses attributed to credit impairments and loans (Mwajuma & Kazaara, 2024). Unsecured loans issued to unqualified individuals forms part of the allegations related to employee wrongdoing. These fraudulent activities were characterized by willful ignorance of the internal control activities leading to huge financial irregularities (The Independent, 2024). This provides a strong basis for investigating effectiveness of internal control activities at Equity Bank Uganda.

## **1.2 Problem statement**

Effective implementation of internal controls at bank are important to safeguard their assets and ensure the smooth operation of their activities (Heck, 2023). Thus, Equity bank is enhancing its internal control systems by implementing a robust audit strategy, continually upgrading its operational platforms, and revising procedural manuals. Frequent audit reporting keeps management well-informed, while joint efforts with external auditors help maintain regulatory

compliance. Additionally, targeted training for the audit team boosts their effectiveness, reinforcing fraud prevention efforts and supporting efficient use of resources (Equity bank, 2023). However, despite the presence of several internal control mechanisms, the bank continues to struggle with an increase in financial losses due to the increase in electronic fraud as fraudsters hack the bank systems to steal customer money, others connive with the employees, to get account details to steal money via electronic platforms (Equity Bank, Uganda 2024). For example, In March 2024, the bank-initiated investigations into UGX 62 billion in fraudulent stock loans, where staff allegedly disbursed large sums to fake companies (Monitor, 2024).

Furthermore, the Equity bank faces challenges of poor portfolio and financial performance for example, according to the Equity Bank Reports (2017-2023), Non-Performing Loans (NPL) from 2018 to 2023 have increased by an average of 117.79% over the past five years, accompanied by an average increase of 94.62% in bad debts written off during the same period, reaching 60.75 billion in 2023 (Equity Bank Uganda, 2023). Additionally, interest in suspense has increased by an average of 140.48% between 2018 and 2023, as shown in Table 1.1, which has heavily affected the company's profitability, leading to a loss of -18,779 million for the year ended December 2023 (Equity Bank Uganda, 2024). This situation warrants an investigation into the effectiveness of internal control activities at Equity Bank Uganda.

### **1.3 Purpose of the study**

The main purpose of this study is to examine the effectiveness of internal control activities at Equity Bank Uganda

#### **1.4 Objectives of the study**

- i) To examine the internal control activities employed by Equity Bank Uganda
- ii) To establish the factors affecting the implementation of internal control activities at Equity Bank Uganda
- iii) To suggest the strategies that can be put in place to boost implementation of internal control activities at Equity Bank Uganda

#### **1.5 Research questions**

- i) What are the internal control activities employed by Equity Bank Uganda?
- ii) Which factors do affect the implementation of internal control activities at Equity Bank Uganda?
- iii) Which strategies that can be put in place to boost implementation of internal control activities at Equity Bank Uganda?

#### **1.6 Scope of the Study**

Under this section, the study considered content, geographical and time scope.

##### **1.6.1 Content Scope**

Generally, the study focused on the effectiveness of internal control activities, but more emphasis was put on exploring the internal control activities employed by Equity Bank Uganda, the factors affecting the implementation of internal control activities at Equity Bank Uganda and the strategies that can be put in place to boost implementation of internal control activities at Equity Bank Uganda.

### **1.6.2 Geographical Scope**

The research was carried in Equity Bank Uganda Headquarters located in Janani Luwum Church House, at 34 Kampala Road, in the central business district of Kampala, Uganda's capital and largest city.

### **1.6.3 Time Scope**

The study took nine months, that is from Jan, 2025 to September, 2025.

### **1.7 Significance of the Study**

**Policy makers:** By understanding the effectiveness of internal control activities at a major financial institution like Equity Bank, policy makers may refine existing policies or introduce new regulations to strengthen governance practices across the banking sector.

**Management of Equity Bank Uganda:** Evaluating the effectiveness of internal control activities may enable management to identify potential weaknesses and areas for improvement, which can lead to more informed decision-making processes. Effective internal controls are essential for safeguarding the bank's assets, ensuring the accuracy of financial reporting, and minimizing operational inefficiencies.

**Academia:** This study may contribute significantly to the body of knowledge surrounding internal control activities in financial institutions. It may provide a valuable case study that can be referenced by scholars and students interested in banking operations.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This section reviews literature relevant to the effectiveness of internal control activities at Equity Bank Uganda, focusing on the study variables. It includes both national and international sources, structured according to theoretical review and study objectives.

#### **2.2 Background of Equity Bank**

Equity Bank is one of the leading financial institutions in East Africa, renowned for its inclusive banking model that targets the unbanked and underbanked populations. The bank was originally established in Kenya in 1984 as Equity Building Society (EBS), primarily offering mortgage financing to low-income individuals. However, due to significant financial and operational challenges during its early years, EBS was technically insolvent by the early 1990s. A strategic turnaround was initiated under the leadership of Dr. James Mwangi, which transformed the building society into a fully-fledged commercial bank in 2004, rebranded as Equity Bank (Ngugi, 2020).

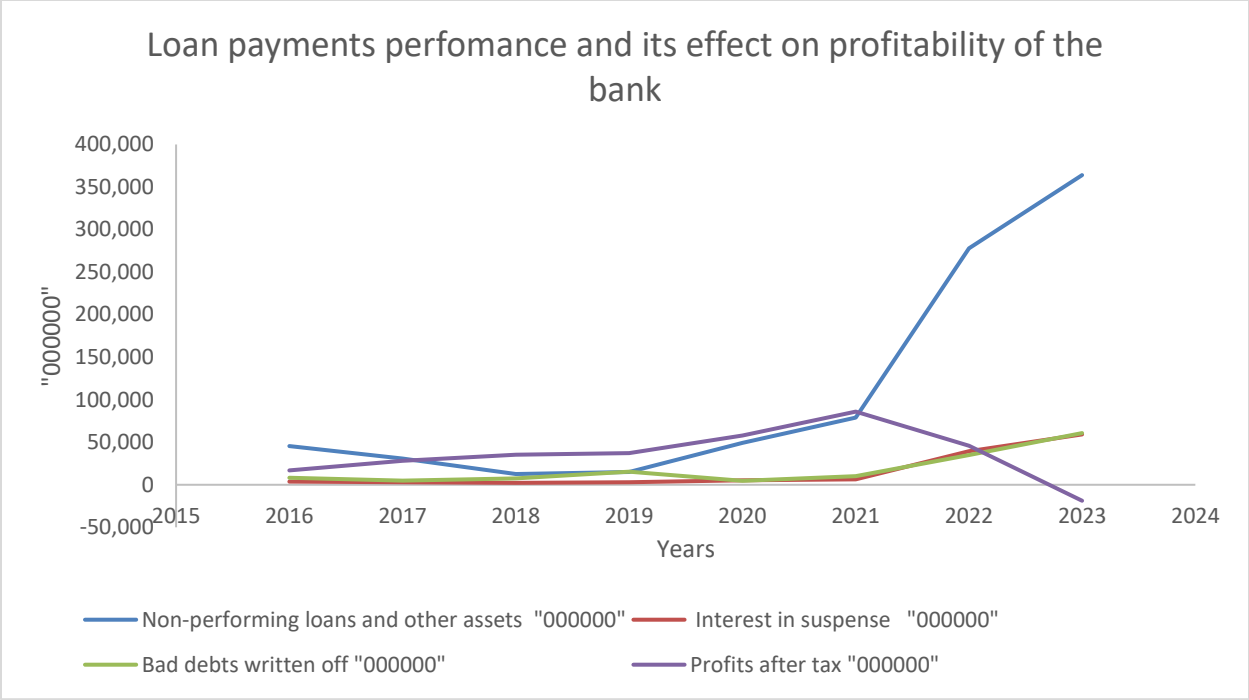
The bank's unique model, which emphasized accessible and affordable financial services, contributed to its rapid growth. Equity Bank's success is rooted in its innovative approach to financial inclusion, which involved embracing mobile banking, agency banking, and community-based outreach programs to reach remote and marginalized populations (World Bank, 2014). Its commitment to inclusive banking has made it a model institution in Sub-Saharan Africa, particularly for financial empowerment among low-income households, women, and small and medium enterprises (SMEs).

In Uganda, Equity Bank Limited, a well-known financial institution, uses internal monitoring to assess the quality of its loan portfolio. By categorizing customers into different rating classes, helps the bank to assess borrowers' ability to repay interest and capital, adjust lending limits, and request appropriate collateral (Anon, 2023). However, the bank faces persist challenges in meeting loan repayment requirements set by both internal standards and those mandated by Uganda's central bank (Equity bank Limited, 2017-2023). Remarkably, Equity Bank's experience is consistent with that of other commercial banks in Uganda, which all follow Central Bank of Uganda regulations. These commercial banks, including Equity Bank Uganda, face similar social, economic, and administrative challenges that affect their ability to meet loan performance, as directed by the Bank of Uganda (Equity Bank, 2021). The performance of centenary bank' loan delinquency is show in table 1.1 below.

**Table 1: Portfolio and Financial performance of Equity Bank Uganda.**

Year	Non-performing loans and other assets	Interest in suspense	Bad debts written off	Profits after tax
Precision	"000000"	"000000"	"000000"	"000000"
2023	363,978	59,203	60,752	-18,779
2022	277,759	39,574	34,790	45,752
2021	78,788	6,353	10,301	86,002
2020	49,289	5,334	4,647	57,860
2019	15,133	2,912	15,494	37,232
2018	12,630	2,282	7,411	35,290
2017	30,703	2,836	4,915	28,098
2016	45,565	3,690	8,355	17,029

*Source:* Equity bank Uganda Annual reports (2016-2023).



**Figure 1: Visual Representation of loan performance of Equity bank**

**2.3 Theoretical Review**

The study will be based on the Agency Theory, which was developed by Jensen and Meckling (1976) and subsequently reviewed by Sarens and Abdol-Mohammadi (2010). It looks at the interactions between an employer (the principle) and a third party (the agent) that has been hired to represent them. The principal in this relationship transfers decision-making responsibility to the agent (Goel and Vashishtha, 2014). According to the theory, even if the principle wants the agent to operate in their best interests, the agent might have personal goals that conflict with the principal's aspirations. Both sides struggle with uncertainty, which can take many different shapes. Asymmetric information may result from principals' ignorance of the agent's activities or retained knowledge. Furthermore, there is ambiguity about how the agent's activities will turn out, which makes it more difficult to create contracts and increases the risk of moral hazard and adverse selection (Padilla, 2012).

In the institution, the most typical agency relationship is that of a principle and an agent (staff). According to agency theory, internal controls contributes to the maintenance of cost-effective contracting between owners and managers, much like other intervention mechanisms like financial reporting and financial performance. In addition to explaining why internal audit and controls exist in businesses, agency theory may also shed light on some of the features of the internal audit department, such as its size and the range of tasks it does, such as financial vs operational auditing. To assess experimentally whether cross-sectional differences in internal controls processes reflect the various contractual relationships resulting from organisational variances, agency theory can be used.

The theory posits that agents have more information than principals and that this information asymmetry adversely affects the principals' ability to monitor whether or not their interests are being properly served by agents. As such, the theory describes firms as necessary structures to maintain contracts, and through firms, it is possible to exercise control which minimizes opportunistic behavior of agents (Jensen & Meckling, 1976). According to the theory, in order to harmonize the interests of the agent and the principal, a comprehensive set of internal controls are put in place to monitoring and control the ill interests of agent. Therefore, the agent-principal relationship is strengthened more by the principal employing an expert and systems (auditors and control systems) to monitor the agent (Jussi & Petri, 2004).

This theory is relevant in this study since it highlights the potential misalignment of employees' interests with those of employer, necessitating measures such as internal control activities to mitigate fraudulent behavior. Therefore, this theory can be based on to examine the effectiveness of internal control activities at Equity Bank Uganda.

## **2.4 The internal control activities employed organizations**

Organizations implement various internal control activities to safeguard assets, ensure operational efficiency, and comply with regulations.

### **2.4.1 Segregation of Duties**

Segregation of duties is one of the foundational principles of internal control, aimed at reducing the risk of errors and fraud. This activity involves dividing responsibilities among multiple employees so that no single individual has complete control over all aspects of a transaction (Musyoki, 2023). For example, in financial operations, one employee might handle cash receipts while another records the transactions in the ledger. According to Tusiime (2023), this division creates checks and balances within processes, ensuring that errors or irregularities can be quickly identified and corrected. Organizations often strengthen segregation of duties by using technology to automate oversight and reduce human error.

### **2.4.2 Authorization and Approval Controls**

Authorization controls ensure that transactions and processes are carried out only after obtaining appropriate approval. These controls help prevent unauthorized activities, such as unapproved purchases or fraudulent disbursements (Bartsiotas & Achamkulangare, 2016). For instance, organizations typically require management approval for significant expenditures. Golightly, Modesti, Garcia and Chang (2023) highlights that authorization mechanisms, such as signature hierarchies or digital approval systems, provide an audit trail, making it easier to trace accountability. By embedding these controls into their operations, organizations mitigate the risks of financial losses and non-compliance with policies.

### **2.4.3 Physical Controls over Assets**

Physical controls safeguard tangible and intangible assets from theft, misuse, or unauthorized access. Examples include locking valuable inventory in secure storage areas, restricting access to sensitive documents, and employing surveillance systems in high-risk areas (Nieles, Dempsey & Pillitteri, 2017). Furthermore, Usmani, Riskhan and Raufi (2024) noted that physical controls extend to cybersecurity measures, such as using firewalls and encryption to protect digital assets. These controls play a crucial role in preventing asset loss and ensuring that resources are used solely for organizational purposes.

### **2.4.4 Reconciliation Procedures**

Reconciliation involves comparing internal records to external statements or documentation to identify discrepancies (Miki, 2024). For example, reconciling bank statements with accounting records ensures that financial transactions are accurately recorded. Sahloul (2018) argue that reconciliation is a proactive measure to detect errors, fraud, or omissions in real-time. Organizations often schedule reconciliations at regular intervals to maintain accuracy and reduce risks associated with financial misstatements.

### **2.4.5 Periodic Reviews and Audits**

According to Intone Networks (2024), regular reviews and audits are essential for assessing the effectiveness of internal controls. These activities involve evaluating compliance with established policies and identifying areas for improvement. Kamara (2023) emphasized that internal audits help organizations detect weaknesses in control systems before they escalate into significant issues. Organizations often supplement internal reviews with external audits to ensure objectivity and accountability, particularly in financial reporting.

#### **2.4.6 Information and Communication Controls**

Accurate and timely communication is vital for effective internal controls. Organizations employ systems to ensure that critical information flows efficiently across departments and hierarchical levels (Otoo, Kaur & Rather, 2023). Examples include automated reporting tools, dashboards, and internal memos. COSO (2013) underscores that effective communication facilitates the implementation of controls by ensuring that employees are well-informed about policies, procedures, and potential risks.

#### **2.4.7 Risk Assessment and Monitoring**

Continuous monitoring and risk assessment are crucial for adapting internal controls to changing circumstances (Ziorklui, Ampofo, Antwi & Nyonyoh, 2024). Monitoring involves reviewing control systems regularly to ensure they function effectively and remain relevant. Furthermore Ziorklui et al., (2024) argued that organizations can use risk assessment tools to identify emerging threats, such as market volatility or technological vulnerabilities, and adjust their controls accordingly. This dynamic approach enhances organizational resilience and reduces the likelihood of control failures.

### **2.5 The factors affecting the implementation of internal control activities in organizations**

There are many factors that affect internal control activities implementation; however, these tend to be different in different organizations.

### **2.5.1 Weak Organizational Culture**

An ineffective organizational culture that does not prioritize accountability and ethical behavior significantly hampers internal control implementation. Culture sets the tone for employee attitudes toward compliance and oversight. According to Dimitrov (2013) when organizations lack a strong emphasis on ethics and transparency, employees may perceive internal controls as bureaucratic burdens, leading to non-compliance. Similarly, Martins and Terblanche (2003) argue that cultures of complacency or excessive informality erode the perception of internal controls as critical mechanisms for achieving organizational goals, increasing vulnerability to risks and inefficiencies.

### **2.5.2 Inadequate Leadership Commitment**

Leadership's lack of support is one of the most critical barriers to implementing effective internal controls. Leaders play a vital role in setting priorities and enforcing compliance. However, when leadership is disengaged, employees may follow suit, resulting in lax enforcement of controls (Koeswayo, Haryanto & Handoyo, 2024). Additionally, Kalevor, Reindorf, Kesemekpor and Betakan (2024) observed that insufficient leadership oversight diminishes accountability at all organizational levels. Moreover, leaders who fail to allocate sufficient resources or model adherence to controls weaken the organizational commitment to effective risk management practices, leaving gaps in the system.

### **2.5.3 Resource Constraints**

Limited financial, technological, and human resources significantly undermine internal control activities. Without adequate funding, organizations struggle to implement advanced monitoring systems or hire competent personnel to oversee controls. McNeal (2021) noted that financial limitations often force organizations to rely on outdated systems, increasing the likelihood of errors

and fraud. Additionally, insufficient training budgets prevent employees from acquiring the skills necessary to implement controls effectively, exacerbating operational inefficiencies.

#### **2.5.4 Employee Resistance to Change**

Resistance to change among employees is a common obstacle to the implementation of internal controls. Changes to processes and systems often create uncertainty, leading to reluctance or outright opposition. Alhawamdeh and Alhawamdeh (2019) highlight that employees may view internal controls as disruptive or unnecessary, especially when new measures increase workload or alter established routines. This resistance can manifest as deliberate non-compliance, passive resistance, or errors due to a lack of engagement.

#### **2.5.5 Complex and Dynamic Organizational Structures**

Organizations with complex structures or rapidly evolving operations face significant challenges in standardizing and enforcing internal controls. Chenhall and Moers (2015) explain that the diversity of operations in large or multinational organizations complicates the design of a unified internal control framework. Furthermore, frequent organizational changes, such as mergers or expansions, disrupt established controls and create gaps in oversight. These challenges are compounded by the need to adapt to varying legal, cultural, and operational contexts, which can lead to inconsistencies in the implementation of controls across the organization.

#### **2.5.6 Lack of Regulatory Enforcement**

In environments with weak regulatory oversight, organizations often deprioritize the establishment of robust internal controls. COSO (2013) notes that external pressures, such as legal and regulatory requirements, are critical drivers for the adoption of effective control systems. However, in nations with lax enforcement or unclear regulations, organizations may operate with minimal controls,

increasing susceptibility to fraud, errors, and operational inefficiencies. The absence of consequences for non-compliance encourages complacency, undermining the organization's long-term resilience.

### **2.5.7 Technological Challenges**

While technology can enhance internal controls, its improper implementation or lack thereof creates vulnerabilities. Many organizations, especially smaller ones, may lack the resources to invest in advanced technological solutions, leaving them reliant on manual processes prone to errors. Leuhery (2024) argue that the rapid pace of technological change can also be a challenge, as organizations struggle to keep systems updated and secure. Additionally, a lack of employee training on new technologies often results in underutilization, rendering expensive investments ineffective.

### **2.5.8 Fraudulent and Unethical Practices**

The presence of unethical practices within an organization significantly undermines internal controls. Employees or managers engaged in fraud often manipulate systems to bypass controls. Kopicko (2018) highlights that such behavior creates an environment where controls are actively sabotaged, making them ineffective. Unethical practices are often facilitated by collusion among employees or between employees and external parties, rendering even the most robust controls insufficient.

## **2.6 The strategies that can be put in place to boost implementation of internal control activities in organizations**

Effective internal control activities are critical for organizations to achieve their objectives, safeguard assets, and ensure compliance with laws and regulations. However, their implementation

can face challenges, necessitating robust strategies to enhance their effectiveness. A key strategy is top management commitment, which establishes a strong tone at the top. According to Eton, Mwosi and Ogwel (2022) leadership's commitment to enforcing policies and procedures motivates employees to adhere to internal controls. The top management should instill a culture of accountability initiated by management fosters adherence to established controls, reducing incidences of fraud and errors.

Another essential strategy is the provision of regular training for employees. Training enhances employees' understanding of internal control systems and their roles in achieving organizational objectives. Bell (2024) revealed that training programs that focus on risk awareness and control mechanisms significantly improve compliance levels. Additionally, continuous education on new internal control technologies and regulatory changes keeps employees informed, therefore, a well-trained staff can better detect and mitigate operational risks.

Organizations can also enhance implementation by developing robust monitoring systems. Regular audits and real-time monitoring tools provide insights into the effectiveness of control activities. Eton, Murezi, Mwosi and Ogwel (2018) found that employing technology-based monitoring tools, such as automated dashboards and reporting systems, helps organizations quickly identify and address control weaknesses. This shows that organizations that regularly review and update their internal control systems adapt more effectively to changing environments, ensuring sustained compliance and effectiveness.

Furthermore, enhancing communication channels within the organization is vital for the effective implementation of internal controls. Open communication ensures that employees at all levels understand control expectations and can report concerns without fear of reprisal. Okafor, Adebisi,

Opara and Okafor (2020) highlight that establishing whistleblower mechanisms encourages employees to report control breaches, enhancing accountability. Frequent updates about internal control policies and performance reinforce employees' awareness and compliance.

Finally, leveraging technology to automate control activities is a contemporary approach that boosts efficiency and reliability. Automation minimizes human errors and reduces the risk of manipulation. According to Bolanle, Keown and Chriss (2024) adopting tools such as enterprise resource planning (ERP) systems ensures accurate financial reporting and compliance with regulatory requirements. Additionally, Wassie and Lakatos (2024) noted that integrating artificial intelligence (AI) into internal control activities improves fraud detection and operational transparency.

## **2.7 Summary of Literature Review**

A review of existing literature reveals that organizations employ various internal control activities such as segregation of duties, authorization and approval controls, physical asset protection, reconciliation procedures, periodic audits, information flow controls, and continuous monitoring to safeguard assets and enhance operational efficiency. However, much of the literature predominantly focuses on institutions operating in relatively advanced economic contexts, such as developed countries where regulatory enforcement, technological infrastructure, and leadership commitment are typically stronger. This leaves a significant gap in understanding how these internal control activities function in resource-constrained environments like Uganda.

Moreover, many of the studies reviewed tend to emphasize the theoretical frameworks and ideal implementations of internal controls, with limited emphasis on the contextual factors that impede or facilitate their practical application especially in public and not-for-profit organizations. Factors

such as weak organizational culture, inadequate leadership commitment, limited resources, resistance to change, and lack of regulatory enforcement have been recognized as significant barriers but are often underexplored in empirical research within the Ugandan context. Furthermore, although several studies have examined the roles of technology and monitoring systems in improving internal controls, there is still a paucity of evidence on the effectiveness of these strategies in smaller or decentralized institutions.

From a methodological perspective, a substantial number of existing studies rely on case study approaches and descriptive qualitative analyses, which, while insightful, may not offer sufficient generalizability because of lacking the quantitative aspect. As such, there is a pressing need for studies that not only explore the existence and types of internal controls but also analyze the factors affecting their implementation using more robust empirical tools. This study, therefore, aims to fill this gap by investigating the internal control activities and their implementation challenges in organizations within Uganda, employing a mixed-methods design to generate both statistical and contextual insights.

## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.1 Introduction**

This chapter outlines the methodology that will guide the research study. It covers the research design, study population, sample size, data collection tools, data collection procedures, data quality control, data analysis, ethical considerations and study limitations.

#### **3.2 Research design**

This study employed a cross-sectional survey design, which enables the collection of data from various individuals at a single point in time using the same data collection tool (Kothari, 2014). The research followed a quantitative research approach, involving the systematic empirical examination of social phenomena through statistical or numerical data. This approach is chosen because it offers empirical evidence to support the study's findings (Kothari, 2014). By using quantitative methods, the researcher aims to gather numerical data efficiently from a larger population within a limited timeframe.

#### **3.3 Population of the study**

According to Borg and Gall (2009), a population is defined as the complete set, either real or hypothetical, of individuals, events, or objects that a researcher aims to generalize findings to. This study focuses on a target population of 340 staff members at Equity Bank (Equity Bank Uganda, 2023), from which the sample size was selected.

#### **3.4 Sample Size**

A sample refers to a subset of the population chosen to actively participate in a study (Mbabazi, 2011). For this research, a sample of 184 participants were drawn from a total population of 340

individuals. This sample size has been determined using Yamane's formula, developed in 1967, as outlined below.

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

**Where**

N- Population = 340

e - Standard error = 5%

n- Sample size = ?

$$n = \frac{340}{1 + 340(0.05^2)}$$

$$n = \frac{340}{1 + .85}$$

$$n = \frac{340}{1.85}$$

**n= 184 Respondents**

### **3.5 Sampling Techniques**

The study employed simple random sampling in selecting respondents. Using this technique, all respondents had an equal chance of being part of the study (Kombo & Tromp, 2016). This method was applied to staff members of Equity Bank. Since all the respondents possessed the required information, the researcher utilized a raffle draw using papers labeled “Yes” and “No.” Those who picked papers labeled “Yes” were included in the study, while those who picked papers labeled “No” were excluded. This approach was used to minimize sampling bias and ensure equal opportunity for participation. The technique was employed to collect quantitative data..

### **3.6 Data collection instrument**

The questionnaire was the critical instrument for primary data collection and was used to collect quantitative data. It was employed in the survey to obtain information about the research problems

under investigation by allowing respondents to fill in their most appropriate responses. The questionnaire method was less costly and maintained confidentiality (Amin, 2005). The questionnaire was designed based on a five-point Likert rating scale, with responses ranging from strongly disagree to strongly agree. This approach revealed how respondents felt about the items that were presented to them. A closed-ended questionnaire was employed to limit respondents from providing irrelevant information (Mugenda & Mugenda, 2013).

### **3.7 Data collection procedure**

After receiving the supervisor's approval for the proposal and data collection tool, the researcher proceeded to obtain an introductory letter from Makerere University. This letter served to introduce the researcher to the relevant authorities at Equity Bank and requested permission to conduct the study within the institution. Once permission was granted, the researcher secured informed consent from the selected participants. The questionnaires were then distributed to the identified individuals and collected within two days to facilitate data analysis.

### **3.8 Data Quality Control**

The study ensured quality results by conducting validity and reliability of data collection instruments (Yin, 2014).

#### **3.8.1 Validity**

The study instruments were pre-tested for their face and content validity. For face validity, the instruments were reviewed by the supervisor, who provided comments on the items in the questionnaire. Questions that were found vague, as suggested by the supervisor, were either rephrased or dropped. The tool was also subjected to the Content Validity Index (CVI), whereby two research experts at Makerere University—both at the level of research supervisors—were

approached to rate the items in the questionnaire in relation to their relevance (R) or irrelevance (IR) to the study objectives. The CVI was calculated using the formula.

$$CVI = \frac{R}{R + IR}$$

The data collection instruments were only considered valid, when CVI is 0.7 and above as recommended (Mugenda & Mugenda, 2013).

**Table 2: Content validity Index**

Variables	Number of Questions	Content validity Index
Internal control Activities	10	0.761
Factors	10	0.762
Strategies	10	0.813

*Source:* Primary data (2025)

### 3.8.2 Reliability

The reliability of a data collection instrument referred to its ability to yield consistent results when applied under different conditions and at various times (Creswell, 2013). To assess reliability, the instruments were pre-tested on a group of 10 individuals who were not part of the main study. The pre-test results were analyzed using SPSS Version 20, and reliability was evaluated based on Cronbach's alpha scores. Instruments were deemed reliable if the alpha values exceeded 0.7 (Mugenda and Mugenda, 2013).

**Table 3: Reliability Results**

<b>Variables</b>	<b>Number of Questions</b>	<b>Cronbach Alpha</b>
Internal control Activities	10	0.772
Factors	10	0.772
Strategies	10	0.873

*Source:* Primary data (2025)

### **3.9 Data Analysis**

The quantitative data collected were reviewed to ensure consistency and accuracy. Responses were organized based on the corresponding study variables. The data were then analyzed using the Statistical Package for Social Sciences (SPSS) software, Version 27. Descriptive statistics—including frequencies, percentages, means, and standard deviations—were generated in alignment with the research objectives.

### **3.10 Ethical considerations**

According to Creswell and Creswell (2018), ethical consideration in any research was very critical. To an ethical researcher, confidentiality, consent of respondents, and plagiarism were key concerns.

**Confidentiality:** For confidentiality reasons, all the responses that were provided by the respondents through the questionnaire were considered solely for academic purposes. Only parties directly linked to the study were given access to the data collected.

**Informed consent:** To take part in the study, each respondent was required to fill a consent form. The researcher fully explained to the respondents their roles and rights in the study. Only individuals who consented voluntarily were considered, while those who hesitated were excluded.

**Plagiarism:** During the review of literature from various researchers, scholars, and academicians, the researcher endeavored to rephrase and paraphrase their statements to avoid cases of plagiarism.

### **3.11 Limitations and delimitations**

Some respondents exhibited reluctance or hesitation to share information openly. To address this, the researcher clearly explained the study's objectives and assured participants that all information provided would be treated with the utmost confidentiality. Additionally, the researcher presented an official letter from the university confirming that the study was conducted solely for academic purposes.

Some respondents appeared too busy to engage directly with the researcher. To accommodate their schedules, the researcher distributed questionnaires and collected them after two days, allowing participants ample time to complete them at their convenience.

## CHAPTER FOUR

### PRESENTATION AND INTERPRETATION OF RESULTS

#### 4.1 Introduction

The purpose of this study is to examine the effectiveness of internal control activities at Equity Bank Uganda. As such, this chapter covers the response rate, demographic profiles of respondents, and study results aligned with the research objectives, along with a discussion of the findings. The study was guided by the following objectives:

- To examine the internal control activities employed by Equity Bank Uganda
- To establish the factors affecting the implementation of internal control activities at Equity Bank Uganda
- To suggest the strategies that can be put in place to boost implementation of internal control activities at Equity Bank Uganda

#### 4.2 Response Rate

**Table 4: Response rate**

<b>Category</b>	<b>Equity Bank Staff</b>
Issued Questionnaires	184
Completed questionnaires	122
<b>Response rate</b>	<b>66.3%</b>

*Source:* Primary data (2024)

Table 4 above shows that out of 184 questionnaires that were issued, 125 were returned, with 122 being completely filled and 3 was partially filled. Therefore, this indicates that 66.3% of the targeted people responded. In a quantitative study, a response rate of at least 60% is required before data analysis may begin (Fincham, 2008). The high response rate is attributed to the fact that the topic was of high interest to Equity bank since it is looking at improving its internal controls,

secondly, the researcher conducted a pre-test to fine-tune the questionnaire before collecting final data, and this helped fine-tune the questions to make them more relevant to the study.

### 4.3 Demographic Characteristics of the respondents

The following were the demographic characteristics of interest; gender, age bracket, level of education, experience and department.

**Table 5: Demographic Characteristics**

<b>Item</b>	<b>Classification</b>	<b>Frequency</b>	<b>Percent</b>
<b>Gender</b>	Female	82	67.2
	Male	40	32.8
	<b>Total</b>	<b>122</b>	<b>100.0</b>
<b>Age</b>	18-29	16	13.1
	30-39	84	68.8
	40-49	18	14.8
	<b>Total</b>	<b>122</b>	<b>100.0</b>
<b>Number of years of working with Equity B</b>	0.1- 5 years	14	11.5
	6 and 10 years	50	41
	More than 10 years	58	47.5
	<b>Total</b>	<b>122</b>	<b>100.0</b>
<b>Education Level</b>	Bachelor's Degree	82	67.2
	Master's degree	40	32.8
	<b>Total</b>	<b>122</b>	<b>100.0</b>
<b>Level of responsibility</b>	Junior Officer	54	44.3
	Middle Management	56	45.9
	Senior Management	4	3.3
	Supervisor	8	6.6
	<b>Total</b>	<b>122</b>	<b>100.0</b>
<b>Department</b>	Credit	48	39.3
	Finance	36	29.5
	Legal	6	4.9
	Risk management	32	26.2
	<b>Total</b>	<b>122</b>	<b>100.0</b>

*Source: Primary data (2025)*

### **4.3.1 Gender of the respondents**

The study examined gender distribution in the study's respondents in order to demonstrate the representative of males and females. According to Table 5, most bank staff are female (67.2%), with 32.8% being male. This is because the general population of female employees in the Uganda's banking outnumbers males (Okafor, 2023), This demonstrates that the study included perspectives from both gender divisions.

### **4.3.2 Age bracket**

The study also wanted to understand how different age groups were represented and how they held different viewpoints. The results revealed that most of the respondents are in the age bracket of 30-39 (68.8%), these are followed by those in the age bracket of 40-49 at 14.8%, and the least are in the age bracket of 18-29 years at 3.1% as indicated in Table 5. This shows that Equity bank staff are fairly mature, grounded and experienced to make informed decisions for the bank to manage internal controls.

### **4.3.3 Number of years worked with Equity Bank**

The study also examined the respondents' tenure at Equity Bank, as this affects their perspectives on internal controls. Table 5 shows the distribution of workers tenure, 47.5% of respondents have over 10 years of service, 41.0% have 6-10 years, and 11.5% have 5 years or less. This indicates that most Equity Bank staff have the experience needed to inform internal controls decisions. It also highlights Equity Bank's high employee retention rate

### **4.3.4 Level of education**

The study also examined respondents' educational backgrounds, which influence their views on internal controls. Table 5 shows that 67.2% of respondents hold a bachelor's degree, while 32.8%

hold a master's degree. This is because Equity Bank's minimum hiring requirement is a bachelor's degree (Equity Bank Human Resource Report, 2025), leading to a majority of staff at this level, with some pursuing postgraduate studies for senior roles. This indicates that the bank employs skilled staff capable of informing internal controls decisions

#### **4.3.5 Level of responsibility**

An investigation into the effectiveness of internal control practices in commercial banks in Uganda, focusing on Guarantee Trust Bank, reveals the critical role that structured oversight, compliance mechanisms, and clearly defined responsibilities play in safeguarding financial integrity. With a diverse representation across junior officers (44.3%), middle management (45.9%), senior management (3.3%), and supervisors (6.6%) among respondents, the findings suggest that while operational staff are heavily involved in day-to-day controls, strategic oversight may be limited. Guarantee Trust Bank demonstrates adherence to key internal control elements such as recruitment of competent staff, board oversight and ethical values, control effectiveness depends largely on consistent implementation and interdepartmental coordination. Clear organization clarity i.e understanding structures within the organization and clearly defining staff roles and responsibilities would help improve the control environment at the bank.

#### **4.3.6 Respondent's Department**

Results show that most respondents came from the Credit department (39.3%), followed by Finance (29.5%), Risk Management (26.2%), and the fewest from the Legal department (4.9%). This indicates responses were gathered from four (50%) of the eight departments

### **4.4 Findings on Objectives of the study**

This section provides findings on the three objectives of the study. It provides the descriptive statistic from the responses in form of mean and standard deviation.

Respondents were asked to identify internal control practices at Equity Bank, rate the effectiveness of these practices, highlight challenges in managing them, and suggest improvement strategies.

Responses were measured on the 5-point scale of strongly disagreed, disagree, neutral, agreed and strongly agree. Descriptive statistics were run to determine the extent of agreement or disagreement they had on the statement on a five-point Likert scale. Basing on the scale adopted; strongly agree (5) and, agree (4) indicate relevance of the statement while not sure (3), disagree (2) and strongly disagree (1) indicate that the statement is insignificant. As such, mean scores that are above 3 indicates that the respondents agreed on statement, 3 denotes that the respondents are not sure of the statement and below 3 represents statements that are insignificant. The standard deviation was used to complement mean scores. As a result, the lower the standard deviation the more the significance of the statement.

#### 4.4.1 The internal control activities employed by Equity Bank Uganda.

**Table 6: The internal control activities employed by Equity Bank Uganda.**

Descriptive Statistics					
Statements	N	Min	Max	Mean	SD
Statements on internal control activities employed by Equity Bank Uganda					
Equity Bank Uganda has documented internal control policies that guide day-to-day operations.	122	1	5	3.37	0.99
Internal control activities are effectively implemented to prevent and detect errors or fraud.	122	1	5	3.56	1.15
There is proper segregation of duties to reduce the risk of unauthorized activities.	122	1	5	2.64	1.14
All transactions are authorized by appropriate personnel before they are processed.	122	1	5	3.93	0.89
Reconciliations of accounts are performed regularly and reviewed by management.	122	1	5	3.36	1.11
Access to sensitive financial systems and information is restricted based on job roles.	122	1	5	3.79	1.02
Physical and digital assets of the bank are safeguarded through internal control mechanisms.	122	1	5	3.51	1.12
Management regularly supervises and reviews internal control procedures.	122	1	5	3.39	1.16
Internal control activities are in place to ensure compliance with regulatory requirements.	122	1	5	2.57	1.35
Internal controls are reviewed periodically and improved when necessary.	122	1	5	2.89	1.34
Average mean for information and communication				3.25	
Valid N (listwise)	122				
<p>Interpretation of mean; Mean less than 3.0 = Disagreed, 3.0 Uncertain/ neutral and mean above 3.0 = agreed.</p> <p>Mean 1.0 -1.8= Very Low, 1.8-2.6 =Low, 2.6-3.4 =Moderate, 3.4-4.2=High and 4.2-5.0 = Very High and SD- Standard Deviation</p>					

Source: Primary data (2025)

The findings indicate that Equity Bank Uganda has established several internal control mechanisms, with varying levels of staff agreement regarding their effectiveness. The highest-rated control activity is the authorization of transactions by appropriate personnel before processing, with a mean score of 3.93 and a standard deviation (SD) of 0.89. This suggests very high agreement among staff and reflects strong procedural discipline in financial operations. Similarly, access to sensitive financial systems and information is well-restricted based on job roles (mean = 3.79, SD = 1.02), indicating robust technological safeguards. The presence of documented internal control policies also received high support (mean = 3.57, SD = 0.99), affirming that formal guidelines are in place to guide daily operations. Internal control activities aimed at preventing and detecting errors or fraud were also positively perceived (mean = 3.56, SD = 1.15), suggesting that risk mitigation strategies are effectively implemented. The safeguarding of physical and digital assets through control mechanisms scored a mean of 3.51 (SD = 1.12), while management supervision and review of internal control procedures received a moderate rating (mean = 3.39, SD = 1.16). Regular account reconciliations were moderately supported (mean = 3.36, SD = 1.11), indicating that while these practices are present, their consistency may vary.

However, some areas revealed notable weaknesses. Proper segregation of duties, which is critical for reducing the risk of unauthorized activities, scored a mean of 2.64 (SD = 1.14), reflecting moderate agreement and suggesting gaps in organizational role clarity. Compliance with regulatory requirements was rated even lower (mean = 2.57, SD = 1.35), pointing to limited staff awareness or enforcement of regulatory controls. Additionally, the periodic review and improvement of internal controls received a mean of 2.89 (SD = 1.34), indicating that updates to control procedures may be reactive rather than proactive.

Overall, the average mean score for internal control activities stands at 3.23, placing Equity Bank Uganda’s control environment in the moderate range. This suggests that while foundational controls are in place and generally perceived as effective, there are areas—particularly in regulatory compliance, role segregation, and procedural updates—that require targeted improvement. Strengthening these weaker dimensions will be essential for enhancing the bank’s operational integrity and resilience.

#### 4.4.2 The factors affecting the implementation of internal control activities at Equity Bank

##### Uganda

**Table 7: The factors affecting the implementation of internal control activities at Equity Bank Uganda**

<b>Descriptive Statistics</b>					
<b>Statement</b>	<b>N</b>	<b>Min</b>	<b>Max</b>	<b>Mean</b>	<b>SD</b>
Inadequate staffing levels hinder the effective implementation of internal controls.	122	1	5	3.70	1.295
Limited financial resources affect the rollout of internal control activities.	122	1	5	3.03	1.238
Lack of regular training prevents staff from properly implementing internal controls.	122	1	5	3.10	1.207
Support from top management enhances the implementation of internal control systems.	122	1	5	2.95	1.322
Resistance to change among staff members affects the implementation of control activities.	122	1	5	2.87	1.231
Complex internal control procedures discourage full compliance by employees.	122	1	5	2.66	1.353
High staff turnover interrupts the continuity of internal control practices.	122	1	5	3.20	1.236
The bank’s technological infrastructure supports the effective implementation of internal controls.	122	1	5	2.72	1.427
Poor communication between departments leads to weak internal control implementation.	122	1	5	3.95	1.022
Frequent regulatory changes create challenges in maintaining effective internal controls.	122	1	5	3.87	1.101
<b>Average mean</b>	122			<b>3.205</b>	
<b>Interpretation of mean; Mean less than 3.0 = Disagreed, 3.0 Uncertain/ neutral and mean above 3.0 = agreed.</b>					
<b>Mean 1.0 -1.8= Very Low, 1.8-2.6 =Low, 2.6-3.4 =Moderate, 3.4-4.2=High and 4.2-5.0 = Very High and SD- Standard Deviation</b>					

Source: Primary Data (2025)

The findings revealed a range of factors influencing the effectiveness of internal control implementation at Equity Bank Uganda. The most significant challenge identified is poor communication between departments, which received the highest mean score of 3.95 with a standard deviation (SD) of 1.022. This indicates strong agreement among respondents that interdepartmental communication gaps substantially weaken internal control execution. Similarly, frequent regulatory changes were perceived as a major obstacle (mean = 3.87, SD = 1.101), suggesting that constant shifts in compliance requirements create difficulties in maintaining consistent control standards.

Inadequate staffing levels also emerged as a prominent concern, with a mean of 3.70 (SD = 1.295), reflecting high agreement that limited human resources hinder control implementation. High staff turnover (mean = 3.20, SD = 1.236) and lack of regular training (mean = 3.10, SD = 1.207) were moderately rated, indicating that continuity and capacity-building are essential for sustaining effective internal controls. Limited financial resources received a neutral rating (mean = 3.03, SD = 1.238), suggesting mixed perceptions about budgetary constraints.

Conversely, several factors were rated below the neutral threshold, implying disagreement or weak influence. Support from top management scored 2.95 (SD = 1.322), indicating that leadership engagement may be perceived as insufficient. Resistance to change among staff (mean = 2.87, SD = 1.231) and complex control procedures (mean = 2.66, SD = 1.353) were also viewed as moderate barriers, suggesting that procedural complexity and cultural inertia may discourage compliance. The bank's technological infrastructure received a relatively low score (mean = 2.72, SD = 1.427), pointing to concerns about whether existing systems adequately support control activities.

Overall, the average mean across all factors was 3.205, placing the general perception in the moderate agreement range. This suggests that while several structural and environmental factors

positively influence internal control implementation, notable challenges—particularly in communication, regulatory adaptation, staffing, and technological support—must be addressed to strengthen the bank’s control framework. Targeted interventions in these areas could significantly enhance the reliability and resilience of internal control systems.

#### 4.4.3 The strategies that can be put in place to boost implementation of internal control

##### activities at Equity Bank Uganda

**Table 8: The strategies that can be put in place to boost implementation of internal control activities at Equity Bank Uganda.**

<b>Descriptive Statistics</b>					
<b>Statement</b>	<b>N</b>	<b>Min</b>	<b>Max</b>	<b>Mean</b>	<b>SD</b>
Increasing staff training on internal controls will enhance their effective implementation.	122	1	5	3.13	1.23
Strengthening management support will improve internal control enforcement.	122	1	5	2.82	1.31
Streamlining internal control procedures will reduce complexity and increase compliance.	122	1	5	2.79	1.40
Introducing regular internal audits can help identify and resolve control weaknesses promptly.	122	1	5	4.03	1.41
Enhancing communication between departments will support better coordination of control activities.	122	1	5	2.75	1.26
Investing in modern technology will boost the efficiency of internal control implementation.	122	1	5	3.16	1.52
Developing a strong organizational culture of accountability will strengthen internal control practices.	122	1	5	3.18	1.25
Clearly defining roles and responsibilities will improve adherence to internal control procedures.	122	1	5	2.97	1.40
Aligning internal controls with changing regulatory requirements will ensure compliance and continuity.	122	1	5	3.83	1.23
Offering performance-based incentives can motivate staff to comply with internal control policies.	122	1	5	3.82	1.019
<b>Average mean</b>	122			<b>3.248</b>	
<b>Interpretation of mean; Mean less than 3.0 = Disagreed, 3.0 Uncertain/ neutral and mean above 3.0 = agreed.</b>					
<b>Mean 1.0 -1.8= Very Low, 1.8-2.6 =Low, 2.6-3.4 =Moderate, 3.4-4.2=High and 4.2-5.0 = Very High and SD- Standard Deviation</b>					

Source: Primary Data (2025)

The findings highlight several strategic interventions that could enhance the implementation of internal control activities at Equity Bank Uganda. The most strongly supported strategy is the introduction of regular internal audits, which received the highest mean score of 4.03 with a standard deviation (SD) of 1.41. This reflects very high agreement among respondents and suggests that frequent audits are viewed as a critical mechanism for identifying and resolving control weaknesses promptly. Closely following this is the strategy of aligning internal controls with changing regulatory requirements (mean = 3.83, SD = 1.23) and offering performance-based incentives to motivate staff compliance (mean = 3.82, SD = 1.019). These findings indicate that both regulatory responsiveness and staff motivation are considered essential for strengthening control systems.

Other moderately supported strategies include developing a strong organizational culture of accountability (mean = 3.18, SD = 1.25) and investing in modern technology to improve control efficiency (mean = 3.16, SD = 1.52). Increasing staff training on internal controls also received moderate agreement (mean = 3.13, SD = 1.23), suggesting that capacity-building remains a priority for effective implementation. However, several strategies fell below the neutral threshold, indicating weaker support. These include clearly defining roles and responsibilities (mean = 2.97, SD = 1.40), strengthening management support (mean = 2.82, SD = 1.31), streamlining control procedures (mean = 2.79, SD = 1.40), and enhancing interdepartmental communication (mean = 2.75, SD = 1.26). These scores suggest that while these areas are recognized, they may not be perceived as immediately impactful or may require more targeted interventions to gain traction.

Overall, the average mean score across all strategies is 3.25, placing the general perception in the moderate agreement range. This implies that staff recognize the potential of these strategies to improve internal control implementation, but also point to the need for prioritizing high-impact

actions such as audits, regulatory alignment, and incentive structures. To maximize effectiveness, Equity Bank Uganda should consider integrating these top-rated strategies into a comprehensive internal control enhancement plan, while also addressing the less supported areas through improved communication, leadership engagement, and procedural clarity.

## **CHAPTER FIVE**

### **DISCUSSION OF FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS**

#### **5.0 Introduction**

This chapter sum-ups the research and offers recommendations based on the results. Also presented are the results' ramifications and potential directions for further research. In this section, the study's findings are compared with those of other researchers, as noted in the literature review.

#### **5.1 Summary of the findings**

The section summarizes the findings based on the research objectives that guided the study.

##### **5.1.1 The factors affecting the implementation of internal control activities at Equity Bank**

###### **Uganda**

The implementation of internal control activities at Equity Bank Uganda is influenced by a range of organizational and environmental factors, with an overall average mean of 3.205, indicating moderate agreement among respondents. The most significant challenges identified include poor communication between departments (mean = 3.95, SD = 1.022) and frequent regulatory changes (mean = 3.87, SD = 1.101), both rated highly as barriers to effective control implementation. Inadequate staffing levels also pose a substantial constraint (mean = 3.70, SD = 1.295), alongside high staff turnover (mean = 3.20, SD = 1.236) and lack of regular training (mean = 3.10, SD = 1.207). Financial limitations received a neutral rating (mean = 3.03, SD = 1.238), while support from top management (mean = 2.95, SD = 1.322) and resistance to change (mean = 2.87, SD = 1.231) were perceived less favorably. Technological infrastructure (mean = 2.72, SD = 1.427) and procedural complexity (mean = 2.66, SD = 1.353) were also viewed as moderate impediments. These findings suggest that while some foundational elements

are in place, targeted improvements in communication, regulatory adaptation, staffing, and leadership engagement are essential to strengthen internal control implementation

### **5.1.2: The factors affecting the implementation of internal control activities at Equity Bank Uganda**

The implementation of internal control activities at Equity Bank Uganda is shaped by a variety of organizational and operational factors, with an overall average mean of 3.205, indicating moderate agreement among respondents. The most prominent challenges include poor communication between departments (mean = 3.95, SD = 1.022) and frequent regulatory changes (mean = 3.87, SD = 1.101), both of which received high ratings and suggest significant disruption to control consistency and coordination. Inadequate staffing levels also pose a considerable barrier (mean = 3.70, SD = 1.295), alongside high staff turnover (mean = 3.20, SD = 1.236) and lack of regular training (mean = 3.10, SD = 1.207), pointing to weaknesses in human resource capacity and continuity. Financial constraints were rated neutrally (mean = 3.03, SD = 1.238), while support from top management (mean = 2.95, SD = 1.322) and resistance to change (mean = 2.87, SD = 1.231) were perceived as less influential. Technological infrastructure (mean = 2.72, SD = 1.427) and procedural complexity (mean = 2.66, SD = 1.353) were also viewed as moderate impediments. These findings underscore the need for strategic improvements in communication, regulatory responsiveness, staffing, and leadership engagement to enhance the effectiveness of internal control systems

### **5.1.3 The strategies that can be put in place to boost implementation of internal control activities at Equity Bank Uganda.**

The strategies proposed to enhance the implementation of internal control activities at Equity Bank Uganda received moderate support overall, with an average mean of 3.248, indicating general agreement

among respondents. The most strongly endorsed strategy is the introduction of regular internal audits (mean = 4.03, SD = 1.41), reflecting high confidence in audits as a tool for identifying and resolving control weaknesses. Aligning internal controls with changing regulatory requirements (mean = 3.83, SD = 1.23) and offering performance-based incentives (mean = 3.82, SD = 1.019) also received high ratings, suggesting that compliance and motivation are key drivers of effective control systems. Other moderately supported strategies include developing a culture of accountability (mean = 3.18, SD = 1.25), investing in modern technology (mean = 3.16, SD = 1.52), and increasing staff training (mean = 3.13, SD = 1.23), all of which point to the importance of capacity-building and infrastructure. In contrast, strategies such as strengthening management support (mean = 2.82, SD = 1.31), streamlining procedures (mean = 2.79, SD = 1.40), enhancing departmental communication (mean = 2.75, SD = 1.26), and clarifying roles and responsibilities (mean = 2.97, SD = 1.40) were rated below the neutral threshold, indicating weaker perceived impact. These results suggest that while several high-impact strategies are recognized, Equity Bank Uganda should prioritize audit mechanisms, regulatory alignment, and incentive structures, while also addressing leadership engagement and procedural clarity to fully optimize internal control implementation

## **5.2 Discussing the results**

This section discusses the findings in the study based on the hypotheses of the study

### **5.2.1 The factors affecting the implementation of internal control activities at Equity Bank Uganda**

The results on the factors affecting the implementation of internal control activities at Equity Bank Uganda reflect broader scholarly concerns about organizational dynamics and control system effectiveness. Scholars such as Mihret and Yismaw (2024) emphasize that staffing adequacy and employee continuity are foundational to sustaining internal controls, a view echoed by the

challenges of limited personnel and high turnover observed in the bank. Similarly, poor interdepartmental communication and frequent regulatory changes align with findings by Ofori and Atiase, who argue that fragmented communication and unstable compliance environments undermine control coherence. The limited impact of top management support and resistance to change among staff also resonates with Aramide and Bashir's assertion that leadership engagement and cultural readiness are critical for control adoption. Furthermore, the perceived weaknesses in technological infrastructure and procedural complexity support Al-Matari et al.'s view that internal controls must be both accessible and adaptable to be effective. Collectively, these findings reinforce the scholarly consensus that successful internal control implementation requires not only structural systems but also strategic investment in human capital, leadership, and organizational culture

The results align with previous studies by Baguma Muhunga Kule et al. (2023), Kule et al. (2022), and Muhunga Kule et al. (2020), which similarly emphasized the significance of the control environment in minimizing control deficiencies. This consistency may stem from the use of comparable indicators and analytical techniques across the studies. As defined by Oyoo (2014), the control environment encompasses the attitudes, awareness, and behaviors of directors and managers toward internal control systems and their relevance to the organization. COSO (2013) further describes it as the organizational framework of standards, structures, and processes that underpin internal controls, shaping how employees and managers act and think in relation to compliance and accountability. Magu and Kibati (2016) also highlight its preventive role, noting that a strong control environment discourages misconduct across all levels of the institution

The control environment includes integrity and ethical values, management philosophy and operating style, organizational structure, employee commitment to competence, board of directors'

participation, human resource policies and practices, audit committee participation, and delegation of authority and responsibility (COSO, 2013; Oyoo, 2014; Magu & Kibati, 2016).

According to Alsayegh et al. (2020), control activities are crucial for a company to ensure the effectiveness of internal controls, such as authorization, documentation, and security. They help prevent errors, fraud, and non-compliance in operations and financial reporting. Loan defaults, which can lead to serious consequences, can be reduced by ensuring well-managed and monitored internal controls.

Mongina, et al. (2020), found control activities had a significant negative relationship with credit risk. It was recommended that SACCOs review their policies and procedures regularly to meet the current market trends and that human resource management department should work towards ensuring that segregation of duties is done.

Odhiambo, (2022). revealed that information and communication are crucial for internal controls in commercial banks listed on the NSE and licensed by the CBK. The reporting system clarifies department responsibilities, timely information is identified and communicated, management coordinates activities, employees understand internal controls, and effective communication aids in evaluating bank guidelines and policies. These findings highlight the importance of effective communication in maintaining effective internal controls.

The study revealed that monitoring, as an internal control is a significant predictor of loan defaults reduction at Equity Bank. The findings are in line with Kouaib, et al. (2020), Gardazi et al. (2020) and Loh, et al. (2022) who found monitoring to matter for an organizations to achieve intended performance.

According to Odhiambo, (2022). Monitoring is a crucial internal control function for commercial banks listed on the NSE and licensed by the CBK. Management is responsible for timely audit

report review, employee reconciliation, performance evaluation, and frequent external audits. This indicates that most NSE-listed banks have observed monitoring as a key internal control feature. The Monitoring Guidance from Bank's 2006 Guidance emphasizes the importance of monitoring and evaluating processes to ensure effectiveness and efficiency of internal control systems. It suggests that continuous observation can help identify deficiencies and failures, allowing for corrective action and maintaining structure. The guidance suggests that monitoring should be based on three major components: establishing a foundation for monitoring, assigning monitoring roles to appropriate individuals, and establishing a baseline of known effective internal control (Kouaib, et al., 2020).

Both management and the board of directors should be familiar with the fundamentals of effective supervision and how it serves to further the objectives of each party. As businesses become more effective in monitoring, they use tools such as continuous monitoring software and exception reports tailored to their operations. The guidelines cover additional concepts such as the characteristics of an evaluator's objectivity, the duration and conditions for drawing conclusions that internal control is still effective, finding ways to make monitoring more efficient without compromising its efficacy, ensuring that the data used is acceptable and enough, and ensuring that the results can support conclusions about internal control (Loh, et al., 2022).

Bank's Monitoring Guidance is designed to assist companies in identifying effective monitoring and identifying less effective or efficient monitoring, which can ultimately lead to changes. Improving the effectiveness of the company's internal control system may make it more likely that the organization will achieve its objectives (Maung et al., 2020).

## **5.2.2 The factors affecting the implementation of internal control activities at Equity Bank Uganda**

The findings on the factors affecting internal control implementation at Equity Bank Uganda resonate with existing scholarly literature on control system challenges in financial institutions. Scholars such as Mihret and Yismaw (2007) emphasize that internal control effectiveness is closely tied to organizational capacity, particularly staffing adequacy and employee retention—issues clearly reflected in the bank’s struggles with limited personnel and high turnover. The disruptive role of poor communication and frequent regulatory changes aligns with Ofori and Atiase’s (2021) argument that fragmented information flows and unstable compliance environments undermine control coherence and adaptability. Moreover, the limited influence of top management support and resistance to change echoes Aramide and Bashir’s (2015) assertion that leadership commitment and cultural readiness are critical enablers of control adoption. The challenges posed by weak technological infrastructure and procedural complexity further support Al-Matari et al.’s (2014) view that internal controls must be both user-friendly and technologically responsive to be effective. Collectively, these insights affirm that strengthening internal control systems requires a holistic approach—one that integrates structural reforms, human resource development, and strategic leadership engagement

Equity Bank Uganda faces challenges in implementing internal control activities due to various organizational and operational factors. The main challenges include poor communication between departments, frequent regulatory changes, inadequate staffing levels, high staff turnover, and lack of regular training. Financial constraints, top management support, resistance to change, technological infrastructure, and procedural complexity are also considered as moderate

impediments. Strategic improvements in communication, regulatory responsiveness, staffing, and leadership engagement are needed to improve internal control systems effectiveness.

Several scholars have found challenges in internal control systems that closely mirror those reported at Equity Bank. For instance, Otoo, Kaur, and Rather (2023) emphasized that internal control effectiveness in banks heavily relies on risk assessment and control activities. However, they noted that monitoring and communication often fall short, echoing Equity Bank's struggles with departmental coordination and timely feedback mechanisms. Similarly, Muhereza (2024), in his study on I&M Bank Uganda, identified limited resources, weak communication across departments, resistance to control reforms, and inadequate staff training as key barriers to strong internal controls. These findings directly align with GTBank's assessment.

Oleiwi (2024) supports this perspective by discussing the double-edged nature of digital transformation in financial institutions. While automation enhances efficiency and fraud detection, it introduces new challenges related to data accuracy, system integration, and cybersecurity threats. These concerns complement Equity Bank's reported difficulties in managing data quality and operational complexity. Oleiwi's work also highlights the need for targeted training and cross-functional collaboration to ensure internal controls keep pace with technological shifts.

Together, these scholars affirm that banks across different contexts experience similar internal control constraints. Whether it's leadership engagement, technological adaptation, or organizational structure, the recurring themes point to an urgent need for holistic strategies that strengthen accountability systems. Equity Bank's experience reflects a broader institutional challenge that requires not just technical interventions, but cultural and managerial reforms grounded in continuous learning and staff empowerment.

### **5.2.3 The strategies that can be put in place to boost implementation of internal control activities at Equity Bank Uganda.**

Equity Bank Uganda's internal control activities have received moderate support, with the most strongly endorsed strategy being the introduction of regular internal audits. Aligning internal controls with changing regulatory requirements and offering performance-based incentives were also highly rated. Other moderately supported strategies include developing a culture of accountability, investing in modern technology, and increasing staff training. However, strategies such as strengthening management support, streamlining procedures, enhancing departmental communication, and clarifying roles and responsibilities were rated below the neutral threshold, indicating weaker perceived impact.

Several scholars have reported findings that align with the study's observations on internal control strategies in banks. For instance, Chang, et al. (2021) emphasized the importance of automation in strengthening internal controls, particularly in compliance with the Sarbanes-Oxley Act. Their research highlighted that automated systems improve accuracy and efficiency but require enhanced staff training and IT competence to be effective.

Similarly, Li and Manolescu (2020) found that while automation tools significantly improve internal audit and control processes, structural reforms such as role segregation and interdepartmental communication often face resistance or lack clarity. Their study recommended integrating process mining and risk-based approaches to address these gaps.

In a broader compliance context, Ilori, Nwosu, and Naiho (2024) stressed that promoting a culture of compliance and continuous staff development are essential for optimizing internal control systems. However, they also noted that organizations frequently struggle with implementing

effective risk assessment frameworks and maintaining consistent communication across departments.

These scholars collectively support the view that while automation and compliance culture are well-received strategies, structural and procedural reforms require more targeted investment and organizational commitment.

### **5.3 Conclusions**

The findings from the study reveal that the implementation of internal control activities at Equity Bank Uganda is moderately effective but faces several organizational and environmental challenges. Key impediments include poor communication between departments, frequent regulatory changes, inadequate staffing, and limited training, all of which undermine the consistency and reliability of control systems. While foundational elements such as control policies and procedures exist, their effectiveness is constrained by weak leadership support, resistance to change, and technological limitations. These results underscore the importance of addressing structural and behavioral factors to strengthen internal control frameworks, particularly through improved coordination, regulatory responsiveness, and human resource capacity.

To enhance internal control implementation, the study identifies several strategic interventions with strong support from respondents. Regular internal audits, alignment with regulatory changes, and performance-based incentives emerged as the most impactful strategies, highlighting the need for proactive oversight and staff motivation. Moderate support was also given to initiatives such as investing in technology, fostering accountability, and expanding training programs. However, strategies related to management support, procedural simplification, and communication improvements were perceived as less effective, suggesting that these areas may require more targeted efforts to build trust and engagement. Overall, Equity Bank Uganda should prioritize high-

impact strategies while simultaneously strengthening leadership involvement and organizational clarity to achieve a more resilient and responsive internal control system.

#### **5.4 Contribution of the study**

This study makes a valuable contribution to both academic discourse and practical application by providing a detailed assessment of internal control systems within Equity Bank Uganda. It advances scholarly understanding by linking empirical evidence to established governance models, such as those proposed by COSO, and reinforces the relevance of control environment factors in shaping institutional performance. By identifying key challenges—including poor interdepartmental communication, frequent regulatory changes, and staffing limitations—the study offers a nuanced view of the operational barriers that hinder effective control implementation in commercial banking settings.

Practically, the study equips managers, auditors, and policymakers with evidence-based strategies to improve internal control systems. The endorsement of high-impact interventions such as regular internal audits, regulatory alignment, and performance-based incentives provides a clear framework for enhancing compliance and operational efficiency. Additionally, the moderate support for capacity-building measures like staff training and technological investment highlights the importance of long-term institutional strengthening. Overall, the findings serve as a strategic guide for financial institutions seeking to reduce risk, improve accountability, and build resilient control environments in dynamic regulatory contexts.

#### **5.5 Recommendations**

The study recommends the following;

Strengthening risk assessment mechanisms by establishing a dedicated team and integrating fraud

detection and environmental scanning into routine evaluations.

Promoting a culture of ethical compliance through leadership example, regular audits, and enforcement of disciplinary measures to support accountability and integrity.

Investing in staff training and awareness programs to improve understanding of internal control procedures, increase policy compliance, and reduce resistance to change.

Automating internal control systems to enhance accuracy, reduce manual errors, and improve efficiency in oversight functions.

Improving interdepartmental communication to ensure seamless coordination, timely feedback, and consistent implementation of control policies.

## **5.6 Limitations of the study**

This study was confined to Equity Bank Uganda, which limits the extent to which its findings can be generalized to other commercial banks or financial institutions operating under different regulatory, structural, or cultural contexts. While the research provided valuable insights into internal control practices, challenges, and improvement strategies within the selected institution, it did not account for broader industry dynamics or macroeconomic factors that may also influence the design and effectiveness of control systems. As such, the conclusions drawn may not fully reflect the complexities faced by institutions in varying environments.

Methodologically, the study relied solely on quantitative data, which, while useful for statistical analysis, may have missed deeper contextual insights that qualitative methods—such as interviews or focus group discussions—could have revealed. Time constraints further limited the scope and depth of data collection and analysis, as the researcher balanced academic obligations with the

demands of the research process. Additionally, the cross-sectional nature of the study captured perceptions at a single point in time, restricting the ability to observe changes or improvements in internal control practices over an extended period. These limitations suggest that future research could benefit from broader sampling, mixed-method approaches, and longitudinal designs to enrich understanding and applicability.

### **5.7 Areas for further research**

Future research could extend the scope of internal control analysis to other commercial banks and financial institutions to uncover patterns, differences, or shared challenges in control system effectiveness. Scholars might also explore the influence of digital finance platforms, including mobile banking and online reporting tools, on employee engagement and adherence to control procedures. Investigating the role of financial investment in staff development, such as training programs and capacity-building initiatives, could reveal deeper insights into institutional preparedness for control reforms. Additionally, longitudinal studies examining how internal control practices, employee perceptions, and compliance outcomes evolve over time would offer a richer understanding of sustainability and long-term organizational improvement.

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## APPENDICES

### Appendix 1: Questionnaire for staff of Equity Bank Uganda Limited Staff

Dear Respondent,

I am Amulen Faith, a student at Makerere University. I am conducting a study on the “*Effectiveness of Internal Control Activities At Equity Bank Uganda: A Case Of Equity Bank Headquarters*” as a partial requirement for the award of the degree of master in business administration. You have been chosen to participate in this study since you are a potential person that we can rely on. You are kindly requested to spare some time and respond to the questions and statements frankly, honestly, and independently. Your responses will be kept anonymous and confidential since this research is solely meant for academic purposes.

Please answer all questions and indicate your responses by ticking (√) in the appropriate box as requested

#### Section A-Demographic information

**A1** what is your Gender?

Male	
Female	

**A2 What is your Age range?**

18-29	
30-39	
40-49	
50-59	
60 years and above	

**A3 What is your highest level of education**

Diploma	
Bachelor's degree	
Master's degree	
PHD	

**A4 Number of years of working with Equity Bank**

0 and 5 years	
6 and 10 years	
More than 10 years	

**A5 Please indicate your department?**

Credit	
Finance	
Risk management	
Legal	
Others specify	

**A6 What is your Level of responsibility**

Junior Officer	
Supervisor	
Middle Management	
Senior Management	
Executive	

**SECTION B: To examine the internal control activities employed by Equity Bank Uganda**

For each statement in the following section, please indicate the extent to which you agree or Disagree with the following statements on the internal control activities employed by Equity Bank Uganda. Rate your scores on a 5 Likert point scale ranging from; 1-Strongly Disagree (SD), 2- Disagree (D), 3- Not Sure (NS), 4- Agree (A) and 5-Strongly Agree (SA).

	<i>Statements relating to internal control activities employed by Equity Bank Uganda</i>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
B1	Equity Bank Uganda has documented internal control policies that guide day-to-day operations.					
B2	Internal control activities are effectively implemented to prevent and detect errors or fraud.					
B3	There is proper segregation of duties to reduce the risk of unauthorized activities.					
B4	All transactions are authorized by appropriate personnel before they are processed.					
B5	Reconciliations of accounts are performed regularly and reviewed by management.					
B6	Access to sensitive financial systems and information is restricted based on job roles.					
B7	Physical and digital assets of the bank are safeguarded through internal control mechanisms.					
B8	Management regularly supervises and reviews internal control procedures.					
B9	Internal control activities are in place to ensure compliance with regulatory requirements.					
B10	Internal controls are reviewed periodically and improved when necessary.					

**Section C: The factors affecting the implementation of internal control activities at Equity Bank Uganda**

For each statement in the following section, please indicate the extent to which you agree or Disagree with the following statements on the factors affecting the implementation of internal control activities at Equity Bank Uganda. Rate your scores on a 5 Likert point scale ranging from; 1-Strongly Disagree (SD), 2- Disagree (D), 3- Not Sure (NS), 4- Agree (A) and 5-Strongly Agree (SA).

	<i>Statements relating to internal control activities employed by Equity Bank Uganda</i>	1	2	3	4	5
C1	Inadequate staffing levels hinder the effective implementation of internal controls.					
C2	Limited financial resources affect the rollout of internal control activities.					
C3	Lack of regular training prevents staff from properly implementing internal controls.					
C4	Support from top management enhances the implementation of internal control systems.					
C5	Resistance to change among staff members affects the implementation of control activities.					
C6	Complex internal control procedures discourage full compliance by					

	employees.					
C7	High staff turnover interrupts the continuity of internal control practices.					
C8	The bank’s technological infrastructure supports the effective implementation of internal controls.					
C9	Poor communication between departments leads to weak internal control implementation.					
C10	Frequent regulatory changes create challenges in maintaining effective internal controls.					

**Section D: The strategies that can be put in place to boost implementation of internal control activities at Equity Bank Uganda**

For each statement in the following section, please indicate the extent to which you agree or Disagree with the following statements on the strategies that can be put in place to boost implementation of internal control activities at Equity Bank Uganda. Rate your scores on a 5 Likert point scale ranging from; 1-Strongly Disagree (SD), 2- Disagree (D), 3- Not Sure (NS), 4- Agree (A) and 5-Strongly Agree (SA).

	<i>Statements relating to internal control activities employed by Equity Bank Uganda</i>	1	2	3	4	5
D1	Increasing staff training on internal controls will enhance their effective implementation.					

D2	Strengthening management support will improve internal control enforcement.					
D3	Streamlining internal control procedures will reduce complexity and increase compliance.					
D4	Introducing regular internal audits can help identify and resolve control weaknesses promptly.					
D5	Enhancing communication between departments will support better coordination of control activities.					
D6	Investing in modern technology will boost the efficiency of internal control implementation.					
D7	Developing a strong organizational culture of accountability will strengthen internal control practices.					
D8	Clearly defining roles and responsibilities will improve adherence to internal control procedures.					
D9	Aligning internal controls with changing regulatory requirements will ensure compliance and continuity.					
D10	Offering performance-based incentives can motivate staff to comply with internal control policies.					

## Appendix 2: Krejcie and Morgan Table of 1970

<i>N</i>	<i>S</i>	<i>N</i>	<i>S</i>	<i>N</i>	<i>S</i>
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	1000000	384

Note.—*N* is population size. *S* is sample size.

Source: Krejcie & Morgan, 1970