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Internal Audit and Financial Management: A Case Study of National Water and Sewerage Corporation Soroti Area

 The study was about Internal Audit and Financial Management focusing on National Water and Sewerage Corporation (NWSC) Soroti area as a case study. It was set to achieve the following objectives: To find out the safeguards over the assets, ascertain whether risks are identified and managed, to examine the level of compliance with policies and adherence to procedures of the corporation. The study employed both quantitative and qualitative approaches using correlation, case study and regressions. The instrument used for data collection were a self-administered questionnaire, available documents and records targeting staff of NWSC in the departments of administration, finance, commercial, technical and support staff as respondents from a population of 45. The study found that NWSC staff is committed to the safeguard over assets. The management actively participated in the monitoring and supervision of the assets. Results revealed that there is a significant and positive relationship between internal audit and financial management of NWSC ($r=0.278$ $P<0.343$). The Adjusted R^2 was 0.010. The ANOVA revealed a significant variation of ($F_{(2,45)}=1.144$, $P<0.343$) with residual value of 17.717 and mean square of 0.494. Internal Audit plays a big role in this; hence it is very effective as it conducts regular audit activities and produces regular audit reports. It was further revealed that risk identification and management is effective especially management of public health of NWSC employees. The Pearson product moment correlation was used. Results revealed that there is a significant and positive relationship between risk identification and financial management ($r=0.354$, $P<0.134$). The Adjusted R^2 was 0.062, implying that the independent variable contributes 6.2% to NWSC performance. Since F statistic is smaller than 0.01, then the independent variables significantly influence the dependent variable. The results of multiple regression indicate that risk identification management data has $\beta=0.268$, 0.010, 0.192 and $t=1.764$, 0.10 and 0.192, $P<0.134$. The positive beta weight indicates that, to improve on monitoring of the use of funds in the organization, NWSC must identify and manage risks efficiently in the organization. The study further revealed that adherence to policies, plans and procedures was effective towards financial management. The financial management is also effective. This means NWSC effectively managers its expenditures in relation to its budget and properly monitors use of funds through proper planning and procedures used. The Pearson product moment correlation was used. Results revealed that there is a significant and positive relationship between adherence to corporate policies, plans and procedures on financial management of NWSC. The Adjusted R^2 was 0.131, implying that the independent variable contributes 13.1% to NWSC financial performance. The results of multiple regression indicate that risk identification management data has $\beta= 0.036$, 0.228, 0.468 and $t= 0.250$, -1.471 and 3.074, $P<0.033$. Basing on the findings, the researcher recommends that further research be carried out in the areas of internal audit and employee productivity, internal audit practices and management of company assets, internal audit and management in private business. The study hence concludes that internal audit plays a big role in financial management of assets, risk identification and management, compliance with policies and plans and safeguard over the assets.

Key words: Audit, Internal, Financial, Management