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exposure to accounting risks, and have fewer resources to invest in internal control.

In South Africa, cases of accounting scandals have been recorded in Randgold and Exploration companies. In Nigeria, the managing director and chief financial officer of Cadbury Nigeria were dismissed in 2006 for inflating the profits of the company for some years before the company's foreign partner acquired controlling interest. These scandals emphasize the need to evaluate, scrutinize, and formulate systems of checks and balances to guide corporate executives in decision-making. These executives are legally and morally obliged to produce honest, reliable, accurate, and informative corporate financial reports periodically (Chukwu, 2012).

Amudo&Inanga (2009) indicated that studies carried out in the last two decades show commercial banks in Sub-Saharan Africa are more profitable with an average return on Assets of 2%. In the spirit of finding out the factors contributing to such performance, this research established that effective Internal Controls positively affect the Profitability of the Banking sector in Rwanda. Internal controls are the basic

organizational elements that help management effectively deliver services to stakeholders; help ensure the reliability of financial statements and compliance with the laws and regulations.

In Kenya, Statistics available from Capital Market Authority (CMA) 2014 have shown most firms especially quoted companies have registered declining profitability in recent years. Examples include Kenya Airways which reported a loss of Ksh 10 billion, Mumias Sugar company Ksh 3.4 billion loss, Uchumiser markets Ksh 226million loss, Eveready East Africa limited Ksh 248million loss. Drehmann, (2009) revealed that financial reporting is ineffective due to correction, frauds, and ineffective regulations that have led to poor profitability in publicly quoted companies. According to World Economic Forum (WEF), Kenya was ranked in position 106 out of 144 due to mega-corporation scandals.

A commercial bank in Rwanda is expected to have effective and efficient internal controls to provide reasonable assurance about the achievement of the entity's objective about the reliability of financial reporting, effectiveness, and efficiency of operations, and compliance with applicable

laws and regulations. According to Capital Market Authority Act (cap.485, gazette Notice no. 3362), the board of the public listed company is required to maintain a sound system of internal controls to safeguard the shareholder's investments and assets. Despite the existence of an elaborate system of internal controls in quoted companies, several quoted companies continue to experience financial distress which has threatened their survival in the business. Rwanda as a developing nation tries to strengthen the internal control system, through its agencies such as the Central Bank. The Ministry for finance encourages the financial institutions to emphasize on implementation of an effective internal control system. The board of directors of every financial institution shall approve proper policies and procedures, and adequate overall internal control systems, for monitoring and

Current Existing

Commercial banks in Rwanda have poor financial performance that is below their expectations; there is a decline in terms of profitability. This increase in nonperforming loan rates may be the cause of the decline in profitability of some commercial banks in Rwanda. For example, in BPR, the ROA of

controlling the risks for each line of business and market served by such bank or financial institution, including credit, financial, market, operations, legal and any other risk affecting or likely to affect such bank or the financial institution (BNR, 2012).

The BPR Atlas Mara as a financial institution gradually increased its profitability during 2017's after major restructuring made by the government such as; redundancies the incompetents and long term employees and employing the professional one, installing the new banking system called Core Banking System, new banking policies, and introducing the new department called Risk Management Department and strengthened the internal audit department to improve the internal control system. Therefore, this study seeks to investigate the role of internal control on the profitability of a commercial bank in Rwanda concerning BPR Atlas Mara.

BPR in 2014 up to 2017 has fluctuated were in 2014, ROA was 0.54, in 2015 was negative 1.17, in 2017, ROA was negative 0.26; ROA in 2017 was 0.37 while in 2018, ROA was 1.38 (BPR, 2017). The decline of profitability of BPR Atlas Mara is due to different factors such as poor management of workers, inappropriate utilization of the

company's resources, high investments, and internal control. This researcher, therefore, sought to investigate the role of internal

The objective of the study

Specific objectives

The specific objectives are as follow:

1. To find out the level of existing internal controls used by BPR Atlas Mara;

Findings on the profile of respondents

The background information of respondents was deemed necessary because the ability of the respondents to give satisfactory information on the study variables greatly

Data collection procedures

This study collected data through the use of questionnaire and documentary instruments.

Questionnaire

Mugenda (2003) defines a questionnaire as a set of questions which are asked to get information from a respondent. It is also currently used to mean a set of questions, which are self-administrated. A questionnaire is designed and pre-tested before the researcher submitted it to the selected respondents. The questionnaire plays a major role in collecting data. This instrument was used because it is more comfortable to the researcher and

control on the profitability of a commercial bank in Rwanda concerning BPR Atlas Mara.

2. To assess the level of profitability of BPR Atlas Mara from 2017 to 2019;
3. To find out the relationship between internal control and profitability of BPR Atlas Mara.

depends on their background. The information has been presented below categorized into; gender, education levels, position held, age and length of service in the organization.

respondents during data collection. It was made on structured items. With structured items, respondents make a choice from a limited number of responses. To acquire the primary data, researcher made some other visit in the bank due to the increasing transactions and business of the employees in the bank; they would not be able afford time to the researcher whenever they needed. In all a total of 62 questionnaires was designed and self administered. The self administered questionnaire was employed to

collect data from staff of the BPR Atlas

Documentation

According to Mugenda (2003) documents are materials, which contain the information about a phenomenon that researchers wish to study. In this study the documents (books, journals and web site sources) have been used in order to get more information about the financial statement of BPR Atlas Mara. The researcher reviewed some of the organizational most recent reports available to ascertain the internal control systems and as reported in the organizational policy manuals. It also used financial statements of BPR Atlas Mara (2017-2019).

Findings on effectiveness of internal controls used by BPR Atlas Mara

The study sought to analyze the effectiveness of existing internal controls used by BPR Atlas Mara. To reach this objective, the key respondents were the employees of BPR Atlas Mara. They provided their opinions referring to internal control practices as there were cited in the literature review. Those are risk assessment, control activities, control environment,

Mara.

information and communication and monitoring activities. The respondents were requested to indicate their perception on internal control system used by BPR Atlas Mara in five point Likert scale. The used Likert scale of five point ranging between 1= Strongly disagree, 2= Disagree, 3= Neutral, 4= Agree and 5= Strongly agree. Their responses were analyzed and described using frequency, percentage, Mean score and standard deviation. The assumption was made on the basis of the higher the score the more important are the variables as evaluative criteria.

Findings on control environment used by BPR Atlas Mara

The study sought to assess to what extent control environment is used by BPR Atlas Mara. The respondents were asked where agreed or disagreed with the statement regarding to control environment. The results were analyzed by using descriptive statistics such as frequency, percentage, mean and standard deviation. The results were summarized in the table 4.5 below:

Tables

Findings on effectiveness of internal controls used by BPR Atlas Mara

	SD		D		N		A		SA		Mean	St. Dev
	fi	%	fi	%	fi	%	fi	%	fi	%		
BPR Atlas Mara has effective an accounting and financial management system	0	.0	4	6.5	4	6.5	7	11.3	47	75.8	4.56	.88
BPR Atlas Mara has a clear organization structure	0	.0	5	8.1	3	4.8	5	8.1	49	79.0	4.58	.92
The policies, procedures and guideline are documented	2	3.2	5	8.1	5	8.1	8	12.9	42	67.7	4.34	1.13
Management provides feedback to the junior officers about the operation of the system	1	1.6	4	6.5	4	6.5	4	6.5	49	79.0	4.55	.99
All employees of BPR Atlas Mara are aware of the guidelines	0	.0	0	.0	2	3.2	1	1.6	59	95.2	4.92	.38
Appropriate measures are taken to correct misfeasance in operation of our Accounting & Finance Management System	1	1.6	6	9.7	6	9.7	47	75.8	2	3.2	3.69	.76
The internal control guideline are able to detect the irregularities	0	.0	16	25.8	2	3.2	14	22.6	30	48.4	3.94	1.25
Ethical values are held in all management decisions	0	.0	2	3.2	1	1.6	5	8.1	54	87.1	4.79	.63
Management review financial transaction regularly	0	.0	1	1.6	1	1.6	6	9.7	54	87.1	4.82	.53
BPR Atlas Mara has an objective, independent and active audit committee	2	3.2	0	.0	11	17.7	14	22.6	35	56.5	4.29	.98
The control environment in the bank is enough to reach its objectives	0	.0	0	.0	1	1.6	42	67.7	19	30.6	4.29	.49
Overall mean											4.43	0.81

Findings on the relationship between internal control and profitability of BPR Atlas Mara

	SD		D		N		A		SA		Mean	St. Dev
	fi	%	fi	%	fi			%	fi	%		
Internal control enhances increasing of net income of BPR Atlas Mara	2	3.2	3	4.8	1	1.6	8	12.9	48	77.4	4.56	.99
Internal control increases of current assets of Bank	1	1.6	0	.0	1	1.6	4	6.5	56	90.3	4.84	.61
Internal control reduces costs of Bank	0	.0	0	.0	1	1.6	5	8.1	56	90.3	4.89	.37
Internal control enhances an increases of productivity	1	1.6	3	4.8	2	3.2	9	14.5	47	75.8	4.58	.90
Internal control aids the utilization of human and material resources	1	1.6	2	3.2	6	9.7	10	16.1	43	69.4	4.48	.92
Internal control brings about increase in the bank's sales turnover	1	1.6	0	.0	4	6.5	10	16.1	47	75.8	4.65	.75
Overall mean											4.66	0.75

Findings on the correlation between internal control and profitability of BPR Atlas Mara

		Profitability of BPR Atlas Mara	
		Internal control system	Mara
Spearman's rho	Internal control system	Correlation Coefficient	1.000
		Sig. (2-tailed)	.782**
		N	.000
Profitability of BPR Atlas Mara		Correlation Coefficient	.782**
		Sig. (2-tailed)	1.000
		N	.000
		N	62
			62

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

Conclusion

Based on the findings, the researcher has been able to achieve all the three objectives of the study. The study concludes that: there is effective internal control systems (risk assessment, control activities, control environment, information and communication and monitoring activities) within BPR Atlas Mara, there is a strong and statistically significant positive correlation

between internal control systems and profitability of commercial banks within BPR Atlas Mara over the last 4 years in term of improve of return on assets, return on equity and net profit margin. Hence, the study concluded that there is a positive significant relationship between internal control practices and profitability of commercial banks in Rwanda concerning BPR Atlas Mara for the period of 2017 to 2019.

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