CORPORATE GOVERNANCE AND ORGANISATIONAL PERFORMANCE OF BARCLAYS BANK UGANDA:

A CASE STUDY OF BARCLAYS BANK, KAMPALA ROAD BRANCH

BY

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2012/FEB/MBA/M1060/WKD

A DISSERTATION SUBMITTED TO THE SCHOOL OF BUSINESS ADMINISTRATION IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF A DEGREE OF MASTER OF BUSINESS ADMINISTRATION OF NKUMBA UNIVERSITY.

OCTOBER 2018

DECLARATION

I NASSOLO CLARE YVONNE, declare that this dissertation entitled ***"CORPORATE GOVERNANCE AND ORGANISTIONAL PERFORMANCE OF*** **BARCLAYS BANK** ***UGANDA. A CASE STUDY OF BARCLAYS BANK, KAMPALA ROAD BRANCH"*** is entirely my original work and it has never been submitted before to any other University or Institution of Higher Learning for any Academic Award.

Sign.. Date...

NASSOLO CLARE YVONNE

APPROVAL

I approve that this Dissertation entitled***“”*** has been produced under my supervision ***“CORPORATE GOVERNANCE AND ORGANISTIONAL PERFORMANCE OF*** **BARCLAYS BANK** ***UGANDA. A CASE STUDY OF BARCLAYS BANK, KAMPALA ROAD BRANCH*** and is ready for submission.

Sign.. Date...

ASSOC. PROF. ERIC. B. MUGERWA

SUPERVISOR

DEDICATION

This book is dedicated to my beloved late Dad Mr. Vincent Kayima and Mrs. Barbara Kayima.

My precious Husband Mr. Tumusiime Frank who are a source of encouragement and has done all things possible for my Research to be accomplished.

ACKNOWLEDGEMENTS

First and foremost I would love to thank the Almighty God for all the good things he has done for me and paving way before me.

I would love to thank my supervisor Prof. Eric. B. Mugerwa for his constant advice and corrections throughout my Study and for opening up my mind to the world of Research.

Special thanks goes to my Mum, Mrs. Barbara Kayima, and to my Husband Mr. Tumusiime Frank. I would like to thank my source of inspiration; Patrick, Ann-Marie, Isaiah and Tendo who keep me grounded and humble.

Forever best friends, my sisters Jackie, Gloria, Tina and Anita.

I would like to thank the Management and Staff of Barclays Bank, Kampala Road Branch for providing valuable information that enabled the compilation of results.

I would also acknowledge the valuable contribution made by all Nkumba University Lecturers because without their facilitation I would not have been able to accomplish such a great undertaking.

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LIST OF ACRONYMS

AC	**-**	Accounting
ANOVA	-	Analysis of Variance
BIA	-	Barclays Internal Audit
BHC	-	Bank Holding Companies
BOU	-	Bank of Uganda
CEO	-	Chief Executive Officer
CG	-	Corporate Governance
CVI	-	Content Validity index
EACB	**-**	East African Currency Board
ERMF	-	Enterprise Risk Management Framework
FCA	-	Financial Conduct Authority
ICGU	-	Institute of Corporate Governance Uganda
IIA	-	Institute of Internal Auditors
IV	-	Independent Variable.
MNC	**-**	Multi- National Corporation
NYSE	-	New York Stock Exchange
PLC	-	Public Listed Company
PRA	**-**	Prudential Regulation Authority
PWC	-	Price Waterhouse Coopers
SMEs	-	Small Medium Size Enterprises
SPSS	-	Statistical Package for Social Scientist
UK	-	United Kingdom

DEFINITION OF OPERATING TERMS

Corporate Governance is the process and structure used to direct and manage the business and affairs of a financial institution with the objective of ensuring its safety and soundness and enhancing Shareholder value and shall cover the overall environment in which the financial institution operates comprising a system of checks and balances which promotes a healthy balancing of risk and return.

Bank Performance is the Bank profitability and productivity in Banking.

Performance may also refer to the development of the share price, profitability or the present valuation of a Company.

Accountability is the obligation of an individual or organization to account for its activities, accept responsibility for them, and to disclose the results in a transparent manner. It also includes the responsibility for money or other entrusted property.

ABSTRACT

This Study is about the contribution of Corporate Governance and Organizational Performance of Barclays Bank Uganda: A case study of Barclays Bank, Kampala Road Branch. The Study was based on the following objectives; 1) To examine how Barclays Bank has established Board Audit Committee to oversee the Performance and effectiveness of its Internal and External Auditors; 2) To examine how Barclays Bank has established Accountability to achieve the highest standards of Performance and deliver value for its customers and clients; 3) To find out how Barclays Bank has established Separation of Ownership to enhance Performance.

A sample of 66 respondents was used. The Study used a descriptive and cross sectional Research Design. Interviewing and documentary review were Data collection methods used while questionnaires and interview guides were used as the main Data collection instruments. Data was analysed using descriptive statistics, Pearson product moment correlation, multiple regression analysis, and analysis of variance (ANOVA).

The results of the Study revealed that: Audit Committees and Performance are significantly related that Audit Committees contributed 73.2% to Performance of Barclays Bank Kampala Road Branch; there is a significant relationship between Accountability and Performance of Barclays Bank Kampala Road Branch contribute 78.2%and; Separation of Ownership strongly influences Performance of Barclays Bank Kampala Road Branch contributed 62.1%. It was recommended that; i) Audit Committees should be strengthened and members should devote more time and commitment to perform their oversight function and appointment to the Committee should be based on technical competency of the members ii) Regulators and Board should ensure enhanced Accountability that is, transparency and disclosure for effective market discipline in accordance with professional best practices iii) Shareholders interference with the work of Directors should be minimized as much as possible. The Study makes an original contribution by suggesting that there is a strong positive relationship between Corporate Governance and Organizational Performance of Barclays Bank Kampala Road Branch.

CHAPTER ONE

INTRODUCTION

Background to the Study

This Study is about Corporate Governance and Organizational Performance of Barclays Bank Uganda. It is based on a case study of Barclays Bank, Kampala Road Branch located on Plot 16, Kampala Road. The Research involved interactions with low, middle and senior Management of the Bank. Corporate Governance is the independent variable while Organizational Performance of Barclays Bank is the dependent variable in this Study.

According to the PWC, Annual report of 2007, Corporate Governance is a Performance issue which provides a frame work for how a Company works therefore the Study of Corporate Governance and Performance is important. Corporate Governance in the Banking sector is particularly important because the Banking sector plays a special role in the economic system as it facilitates capital allocations and the risk Management of the business. Thus, the Corporate Governance arrangements of Banks are very important for the business of the Banks and their business customers ((Barclays Bank PLC Annual Report 2016). In its January 2017 quarterly Board matters report, EY's centre for Board matters examined Corporate Governance trends and found out that Corporate Governance is a topic of increasing interest to policy makers, investors and other stakeholders though the way it is enacted by businesses is not always consistent .

Barclays Bank Kampala Road Branch was chosen as a case Study because it is one of the Bank's oldest Branches, located in the heart of the Capital city on Plot 16, Kampala Road and has been in operation since 1st August 1927. Currently it is the Bank's largest Branch with two thirds of the Bank's 350,000 customers as its clients and it employs over 450 staff. Therefore this makes the Study of Corporate Governance in this branch important. Financial Institutions play the important role of providing finance for community enterprises, basic financial services to a broad segment of the Population and access to payment system and as such their Corporate Governance is of paramount importance. The Financial Institutions (CG) Regulations 2005 cited that weak Corporate Governance practices were the basic cause of bank failures in Uganda. Barclays Bank is committed to community investment; Corporate Social investment and helping people achieve their ambitions in the right way.

The Institute of Corporate Governance Uganda defines Corporate Governance as "the system by which companies and corporations are directed and controlled". This definition recognizes that any enterprise, whether public or private, is entrusted with power and must adhere to established principles and practices governing the apportionment and exercise of this power.
In Uganda, "the collapse of Banking sector was linked to poor Corporate Governance practices" (Matama, 2008). "Uganda has had a share of challenges in the Banking sector, culminating in major Bank failures such as Greenland, Cooperative Bank, Uganda Commercial Bank, International Credit Bank, Sembule Investment Bank and Crane Bank". Ashbaugh, Collins and LaFond (2004) revealed that "particular concerns have focused on the quality of Auditing and Accountability, on the role of Non-Executive Directors, and on Agency problems in the Boardroom and 'fat cat' Executive pay levels". "Such concerns are not merely pertinent to the Internal affairs of large corporations, but also have a resonance for the wider community of Stakeholders, such as the Commercial Banks. Similarly, Management in the Banking sector have come under pressure by the different Stakeholders offering value for money services in accordance to the set policies in Uganda's Banking sector".

The concept "Corporate Governance" has attracted various definitions. Metrick and Ishii (2002) define Corporate Governance from the perspective of the investor as "both the promise to repay a fair return on capital invested and the commitment to operate a firm efficiently given investment" suggesting that Corporate Governance has an impact on a firm's ability to access capital markets. The Cadbury Committee (1992) defines Corporate Governance as "the system by which companies are directed and controlled".
According to Mayer (1997), "Corporate Governance is concerned with ways of bringing the interests of investors and managers in line and ensuring that firms are run for the benefit of investors". It has been defined by Keasey *et al.* (1997) to include 'the structures, processes, cultures and systems that engender the successful operation of organisations'. Corporate Governance is also seen as the whole set of measures taken within the social entity that is an enterprise to favour the economic agents to take part in the productive process in order to generate some organisational surplus, and to set up a fair distribution between the partners, taking into consideration what they have brought to the organisation (Maati, 1999).
From these definitions, it may be stated more generally that Corporate Governance embodies what are considered to be legitimate lines of Accountability by defining the nature of the relationship between the Company and key Corporate Stakeholders. In other words,

Corporate Governance comprises the systems, structures and processes that a firm puts in place to ensure a clear line of Accountability in the day-to-day running of the firm basically as a mechanism to reduce Agency problems and costs.

‘Corporate Governance is a key issue for the improvement of economic growth and efficiency. Top level Management considers Corporate Governance as a tool to reduce the miss Management of regulation and Management policies and decisions for protection the rights of Stakeholders and stockholders in Banking industry’ (Gompers et al. 2003). The Banking sector is considered a major sector in every economy. Good Corporate practices are necessary to ensure positive Performance for banking sector in Uganda.

According to Heremans, (2007), Performance is defined as “the reflection of the way in which the resources of a Company (Bank) are used in the form which enables it to achieve its objectives”. Financial Performance is the “employment of financial indicators to measure the extent of objective achievement, contribution to making available financial resources and support of the Bank with investment opportunities”.

The Study was guided by two theories of Corporate Governance namely the Agency Theory and the Stakeholder’s Theory.

The Agency Theory

This Research Study was guided by the Agency Theory. This Theory was chosen because it is one of the major leading theories used in Corporate Governance. The Agency Theory has been recently improved by Lonarr (2002). According to Lonarr (2002) “agent (manager) undertakes to perform certain duties for the principal (investor) and the principal undertakes to reward the agent” (Jensen and Meckling, 1976). According to this Theory, “the role of the Auditor is to supervise the relationship between the manager and the owners”. A gap expectation occurs when the distribution of the responsibility is not well defined. “The responsibility of every part is well defined in the regulation. The manager and the owners have to realize that the Auditor does not have responsibility of the accounting, but only see that the Auditing is done properly” (Andersson and Emander, 2005).

“It is argued that in Banking sector, in which share ownership is widely spread, managerial behaviour does not always maximize the returns of the Shareholders” (Donaldson and Davis 1991). “The degree of uncertainty about whether the agent will pursue self-interest rather than comply with the requirements of the contract represents an agent risk for an investor”

(Fiet, 1995). Given that principals will always be interested in the outcomes generated by their agents, Agency Theory demonstrates that Accounting and Auditing have an important task in providing information and this task is often associated with stewardship, in which an agent reports to the principal on the companies' events (Ijiri, 1975). In relation to my Study, in a Company the Directors are agents of the Shareholders. When conflicts between the Directors and Shareholders arise this indicates a bad precedent for Corporate Governance hence affecting the Performance of the organization.

The Stakeholder's Theory

This Study was also guided by the Stakeholders Theory. The Stakeholder's Theory was expounded by Freeman in 1984 and improved by Friedman in 2006. The traditional definition of a Stakeholder is "any group or individual who can affect or is affected by the achievement of the organization's objectives" (Freeman1984). The general idea of the Stakeholder concept is a redefinition of the organization. In general the concept is about what the organization should be and how it should be conceptualized. Friedman (2006) states that the organization itself should be thought of as grouping of Stakeholders and the purpose of the organization should be to manage their interests, needs and viewpoints. This Stakeholder Management is thought to be fulfilled by the managers of firm. The managers should on the one hand manage the corporation for the benefit of its Stakeholders in order to ensure their rights and the participation in decision making and on the other Stakeholder Theory of the MNC hand the Management must act as the stockholder's agent to ensure the survival of the firm to safeguard the long term stakes of each group.

The Banking sector operations in Uganda started in 1906 when the National and Grindlays Bank of Calcutta India opened a Branch in Entebbe. Seven other Commercial Banks - six of them foreign based were established before Bank of Uganda came into existence. Barclays Bank Uganda limited commonly known as Barclays Bank Uganda limited is a Commercial Bank in Uganda, licensed by Bank of Uganda, the central Bank and the national Banking regulator. The Bank is primarily involved in meeting the Banking needs of individuals, small and medium-sized businesses (SMEs), and large corporations. As of December 2017, the Bank's total assets were valued at UGX: 2.477 trillion (approximately US$668 million), with Shareholders' equity of UGX: 448.2 billion (approximately US$121 million). At that time, Barclays Uganda was the fifth-largest Commercial Bank, by assets.

The Bank is governed by Board of Directors whose Chairperson is of the Non Executive Directors. The Bank’s current managing Directors is Rakesh Jha.

Barclays Bank is significant in this Study because it is one of the oldest Commercial Banks, founded in 1927 with two Branches in the capital city, Kampala, and one in Jinja, the country's second-largest Commercial centre. In 1971, the Bank acquired the Ugandan business of the Commercial Bank of Africa. In February 2007, the Bank completed its acquisition of Nile Bank Uganda Limited, strengthening its presence in the country. Upon incorporation, the Bank's stock was 51 percent held by Barclays and 49 percent held by the Government of Uganda.. The Bank's headquarters is at Plot 2 Hannington Road, on Nakasero Hill, in Kampala. By December 2014, the Bank was the second-largest Commercial Bank in Uganda, with assets valued at UGX: 1.4 trillion. At that time, the Bank had 136,000 account holders, 42 Branches, and 85 ATM outlets and employed 1000 staff (Barclays Bank PLC Annual Report 2016).

The Bank’s income grew from 170 to 2010 billion in 2015, a growth of 20 per cent,” its cost to income ratio also reduced from 63 per cent in 2014 to 61 per cent in 2015. This was attributed to the migration of customers from Branches into automated and technological channels which have seen the Bank cut costs therefore creating an increase in Customer assets by 30 per cent.

The Barclays Corporate Secretariat’s report on Corporate Governance in Barclays (2003) is clear on the fact that Barclays Bank plc is listed on the London stock Exchange and therefore does comply with the UK Corporate Governance code. Barclays also has American depository receipts listed on the New York stock Exchange (NYSE) and is also subject to the NYSE’s Corporate Governance rules. This makes it special in that it is not only governed by the Bank of Uganda policy framework on Corporate Governance but it has to align itself with United Kingdom’s prudential regulations Authority and financial conduct which scrutinize every policy put forward by the Bank’s Board of Directors (Barclays Corporate Secretariat July 2003).

One of the desires of the Management of Barclays Bank is to continue being the largest Commercial Bank in Uganda. In line with this desire, Barclays Bank put in place Corporate Governance policy implementation framework including;

1) To establish and promote transparent and efficient markets, be consistent with the rule of law and clearly articulate the division of responsibilities among different supervisory, regulatory and enforcement authorities.

2) To establish the Board Audit Committee, comprising independent Non-Executive Directors, to oversee the effectiveness of Barclays' Internal and External Auditors Performance.
3) To establish Accountability enabling the Bank to achieve the highest standards of Performance and deliver value for its customers and clients.
4) To establish Separation of Ownership, leadership and clear division of responsibilities in the Bank.
5) To create and deliver sustainable Shareholders value through the Management of the group's businesses.
6) To establish the equitable treatment of all Shareholders, including minority and foreign Shareholders. All Shareholders should have the opportunity to obtain effective redress for violation of their rights.
7) To ensure that Management strikes an appropriate balance between promoting long term growth and delivering short term objectives.
8) To establish that Management maintain a system of Internal control which provides assurance of effective and efficient operations, Internal financial controls and compliance with law and regulations
9) To establish the rights of Stakeholders established by law or through mutual agreements and encourage active co-operation between corporations and Stakeholders in creating wealth, jobs, and the sustainability of financially sound enterprises.
10) To establish that timely and accurate disclosure is made on all material matters regarding the corporation, including the financial situation, Performance, ownership, and governance of the Bank.
11) To establish the strategic guidance of the Company, the effective monitoring of Management by the Board, and the Board's Accountability to the Company and the Shareholders.
12) To establish that Management maintains an effective risk Management and oversight process at the highest level across the group.
13) To approve the group's strategy, the interim and full year financial statements significant changes in accounting policy and practice.
14) To establish Culture, values and Accountability, promote the highest standards of Corporate Governance in Barclays and to ensure that this is supported by the right culture, values and behaviours from the top down.

This Study examines how the following of the above three policy objectives are being achieved:

1. To establish the Board Audit Committee, comprising independent Non-Executive Directors, in order to oversee the performance and effectiveness of Barclays' Internal and External Auditors.
2. To establish Personal Accountability which is a central tenet of the Bank culture, enabling the Bank to achieve the highest standards of Performance and deliver value for its customers and clients.
3. To establish Separation of Ownership Leadership and clear division of responsibilities in the Bank.

Statement of the Problem

The proper control and direction of companies is a necessary catalyst for Commercial development and wealth creation. Corporate governance emphasizes separation of Company ownership from Management.   .

Despite Corporate governance taking root in many jurisdictions around the world, in Uganda this has until recently been an oft-ignored concept. Recent legislation has sought to address this, however, the emphasis is placed on financial and listed institutions, leaving others operating outside statutory regulation. Such companies have had to look to their Internal or group regulations, and in the case of local family businesses, the rare desire to abide by good practices.

1998-2000 was a dark period for the banking industry as several banks in Uganda collapsed. Many laboured under governance failures and some were controlled like family empires with no clear distinction between Management and ownership. Depositors' funds were lost.

Government responded by introducing the Financial Institutions Act 2004 and governance regulations to augment it. The Act for the first time codified directors' duties and qualifications and set clear penalties for Corporate failure against institutions, shareholders and directors.

Recently Barclays Bank has witnessed growing conflict of interests between Shareholders and managers causing a reduction in the Performance for example in 2011 conflicts arose over issues of Management as the minority Shareholders were demanding to have a hand in some of the Management matters of the Company (New vision of 23rd March 2011 issue 5 Vol.23). There is fear that such conflicts between Directors and Shareholders are likely to affect other Corporate Governance issues in the Bank like the adequately functioning Audit Committee, Accountability of the Board of Directors to Shareholders and Separation of Ownership from Management hence leading to poor Performance of Barclays Bank Kampala Road Branch.

According to the Barclays Bank Annual Report (2015) showed that lapses in credit risk assessment, monitoring and control may explain the poor Performance. This raises the Researcher's curiosity and hence the need to establish the effect of Corporate Governance on Performance at Barclays Bank Kampala Road Branch.

It was hence against this background that the Study was undertaken to fill the missing knowledge gaps by establishing the relationship between Corporate Governance and Performance in Banking sector in Uganda: a case Study of Barclays Bank Kampala Road Branch.

Purpose of the Study

The purpose of this Study is to examine the effect of Corporate Governance on Bank Performance looking at Barclays Bank Kampala Road Branch as a case Study.

Research Objectives

This Study was guided by the following objectives:

1. To examine how Barclays Bank has established Board Audit Committee to oversee the Performance effectiveness of its Internal and External Auditors.
2. To examine how Barclays Bank has established Accountability to achieve the highest standards of Performance and deliver value for its customers and clients.
3. To find out how Barclays Bank has established Separation of Ownership to enhance Performance.

Research Questions

1. How does Barclays Bank establish Board Audit Committee to oversee the Performance effectiveness of its Internal and External Auditors?
2. How does Barclays Bank establish Accountability to achieve the highest standards of Performance and deliver value for its customers and clients?

3. How does Barclays Bank establish Separation of Ownership and Management to enhance Performance?

Research Hypotheses

This Study was guided by the following hypotheses;

H_0: There is no significant relationship between Corporate Governance and Organisational Performance at Barclays Bank, Kampala Road Branch.

H_1: There is significant relationship between Corporate Governance and Organisational Performance at Barclays Bank, Kampala Road Branch.

Scope of the Study

The Study scope of this Study is categorised into three:

Geographical scope

The Study concentrated on Barclays Bank Uganda focusing on Kampala Road Branch. This is because according to research, the Branch has the most number of customers and the Corporate arm of the Bank resides in this Branch.

Content scope

The Study acknowledges that Corporate Governance and Performance being a set of processes, customs, policies, laws, and institutions affecting the way a Company is directed, administered or controlled was a major focus out of which the practices therein would evolve. Parameters were used to measure the Corporate Governance were: Board Audit Committees, Accountability and Separation of Ownership. The Performance parameters included profitability, Financial Management and customer deposits. Growth included both local and regional expansion and also growth in the products base and work force. Business processes involved the re- engineering of business processes due to the dynamism of the Banking industry and innovation of new products.

Time scope

The Study focused on the time period of 5years from 2012 up to 2017 because it was the period when Barclays Bank Uganda has had numerous issues to do with Corporate Governance and Performance.

Significance of the Study

The Study is expected to be of practical significance to the following Stakeholders:

The Government: The Government policy and decision makers hopefully will utilize the findings of the Study to formulate and implement proper policies regulating financial institutions in Uganda.

The Banking sector: The Study might contribute to improving understanding about Corporate Governance practices in the Commercial Banking sector in Uganda, and the ways the Banks can implement good Corporate Governance that aligns with Bank Performance. Many Banks in Uganda will find the Study very valuable to their operations and more so a benchmark to decisions to improve on Corporate Governance in the Commercial Banking industry.

Bank of Uganda and Board of Directors of Barclays Bank: The findings of the Study may provide a basis for BOU to assess the level of Corporate Governance policy implementation in the Banking sector to guide in future development of Banking regulations. The Board of Directors may be in better position to review their policies of Corporate Governance and make suitable recommendations to enhance the Bank's Performance.

Policy makers: The policy makers in the Banking business might find the Study useful as a basis of formulating policies, which can be effectively implemented for better and easier regulation of the Banking sector. The Government will use the Study so as to come up with policies and ways of promoting Corporate Governance financial institutions in the country.

Regulators and business people: The Research may also provide general indicators of Corporate Governance useful for both regulator and business people in making policies and decisions as well as in rewarding or punishing the Banks that have great or little intention to improve their Corporate Governance aligning with managers-owners risk-taking behaviour and Bank Performance.

Setting of the Study

Prior to Uganda's independence in 1962, Government-owned institutions dominated most Banking in Uganda. In 1966 the Bank of Uganda, which controlled the issue of currency and managed foreign exchange reserves, became the central Bank. Uganda Commercial Bank, which had fifty Branches throughout the country, dominated Commercial Banking and was wholly owned by the Government. The Uganda Development Bank was a state-owned development finance institution, which channelled loans from international sources into Ugandan enterprises and administered most of the development loans made to Uganda. The East African Development Bank, established in 1967 was jointly owned by Uganda, Kenya, and Tanzania. It was also concerned with development finance. It survived the breakup of the East African Community in 1977 and received a new Charter in 1980 (Were 2007).

Barclays Bank Kampala Road Branch is a Commercial Bank in Uganda. It is one of the Commercial Banks licensed by the Bank of Uganda, the central Bank and national Banking regulator. The Bank was opened in 1927, with two Branches in the capital city, Kampala, and one in Jinja, the Country's second-largest Commercial centre. In 1971, the Bank acquired the Ugandan business of the Commercial Bank of Africa. In February 2007, the Bank completed its acquisition of Nile Bank Uganda Limited, strengthening its presence in the country. The Bank's headquarters is at Plot 2 Hannington Road, on Nakasero Hill, in Kampala. As of July 2013, the Bank maintained Branches at different locations of the country: As of December 2014, the Bank was the second-largest Commercial Bank in Uganda, with assets valued at UGX: 1.4 trillion. At that time, the Bank had 136,000 account holders, 42 Branches, and 85 ATM outlets and employed 850 staff. In terms of governance of the Bank, The Bank is governed by a Board of Directors. The Chairperson of the Board is one of the Non-Executive Directors.

Arrangement of the Study

Chapter One: presents the Introduction of the Study

Chapter Two: presents Study Literature. It highlights Literature Survey, Literature Review and the Conceptual Framework of the Study

Chapter Three: presents Research methodology. It highlights Research Design and Data collection.

Chapter Four presents Demographic Characteristics of respondents.

Chapter **Five, Six, and Seven** presents the Analysis of the findings in line with the Study Objectives.

Chapter Eight links the findings of literature review and suggest the way forward for Corporate Governance and Performance at Barclays Bank.

Chapter Nine presents the Summary and Conclusion to the Study.

CHAPTER TWO

STUDY LITERATURE

Introduction

This Chapter presents the Study literature. It is made up of three sections comprising the Literature Survey, Literature Review and the Conceptual Framework. In literature survey coverage extends to local Research conducted in Uganda about Barclays Bank or the topic of the Study. This section provides the gaps for this Study to fill. The literature review section presents how similar problems have been handled elsewhere. It focuses on how it was handled in the different environments where these problems have occurred. The conceptual framework presents how the relationship between variables can be understood and analysed. It links the Research findings with literature review to examine the extent to which the findings strengthen or oppose to the existing knowledge about the problem.

Literature Survey

A number of Researches have been carried out on cooperate governance in the Barclays Bank but a few of these studies have focused on Corporate Governance in relation to Performance. Below are some of the major studies that were undertaken locally.

Obuni (2012) carried out a Study on Corporate Governance, Capital Structure and Financial Performance of Commercial Banks. The Study involved descriptive and analytical Research Designs. Results revealed a significant positive relationship between Corporate Governance and capital structure, capital structure and financial Performance, and Corporate Governance and financial Performance. His findings further indicated that Corporate Governance was a better predictor of financial Performance in Banks. He highlighted that Banks should put in place mechanisms that ensure proper implementation of Corporate Governance practices. The Study concluded that Corporate Governance and capital structure significantly affect financial Performance in Banks. The Researcher recommended that Banks should have operational governance mechanisms in place which could shape the choice of financing hence resulting to better financial Performance. His Study however did not focus on Audit Committees and Performance in the Banking sector; an aspect which has been addressed by the current Study.

Alinaitwe (2014) conducted a Study in Kampala and focused on Corporate Governance and financial Performance of Commercial Banks in Uganda: A case of Barclays Bank Uganda. Research objectives were to; establish the relationship between transparency and financial

Performance, establish the relationship between Board composition and financial Performance and finally, establish the relationship between Corporate Governance and financial Performance of Barclays Bank Uganda. A cross sectional survey Research Design was employed and Data was analyzed using Pearson correlation coefficient and regressions. His findings revealed that transparency and financial Performance are significantly related; there is a significant relationship between Board composition and financial Performance of Barclays Bank Uganda and; Corporate Governance moderately influences financial Performance of Barclays Bank Uganda. It was recommended that transparency should be strengthened and members should devote more time and commitment to perform their oversight function. Alinaitwe's Study did not address Accountability and Performance in the Banking industry, which has been addressed by this Study.

Literature Review

The concept of Corporate Governance in relation to Performance is not only unique to Uganda. Other scholars have focused on it in other countries since the existence of divergent and sometimes conflicting objectives among Corporate managers and Shareholders has given rise to the Design of many concepts and mechanisms to ensure that the cost associated with such divergent interests is minimal. One of the arrangements proposed to deal with this is Corporate Governance. It has been argued that the Agency Theory has been the most dominant issue in Corporate Governance. However, several other theories have emerged, all in an attempt to highlight the objective of a firm and how the firm should be responsible in meeting its obligations. In the following, these theories are discussed.

Agency Theory also known as the Principal-Agent Theory is generally considered as the starting point for any debate on the issue of Corporate Governance emanating from *"The Modern Corporation and Private Property",* the classical thesis by Berle and Means (1932). In this thesis, there is a profound description of a fundamental Agency problem in modern firms due primarily to the separation between financing sources and Management. Modern firms suffer from a Separation of Ownership and control and are therefore run by professional managers (agents) who are not accountable to dispersed Shareholders. This view fits into the principal-agent paradigm. In this regard, the fundamental question is how to ensure that managers follow the interests of Shareholders in order to reduce cost associated with Principal-Agent contract. The principals in this wise are confronted with two main problems. Apart from facing an adverse selection problem in that they are faced with selecting the most capable managers, they are also confronted with a moral hazard problem because they must give the agents (managers) the right incentives to put forth the appropriate effort and make decisions aligned with Shareholder interests.

In a further definition of Agency relationship and cost, Jensen and Meckling (1976) describe Agency relationship as a contract under which "one or more persons (principal) engage another person (agent) to perform some service on their behalf, which involves delegating some decision-making authority to the agent". In this scenario, there exists a conflict of interests between managers or controlling Shareholders and bondholders and outside or minority Shareholders leading to the tendency that the former may extract "*perquisites"* (or perks) out of a firm's resources and be less interested to pursue new profitable ventures. Agency costs include monitoring expenditures by the principal, such as Auditing, budgeting, control and compensation systems; bonding expenditures by the agent; and residual loss due to divergence of interests between the principal and the agent. The share and the bond price that Shareholders and bondholders respectively (as principal) pay reflect such Agency costs. To increase firm value, one must therefore reduce Agency costs.

The Board of Directors is expected to be made up of more Non-Executive Directors for effective control. The reason behind this relies on the argument that it reduces the conflict of interest and ensures a Board's independence in monitoring and passing a fair and unbiased judgement on Management;

It is expected that different individuals occupy the positions of CEO and Board Chairperson as this corrects the concentration of power in one individual and thus greatly reduces undue influencing of Management and Board members.

'Stakeholders Theory holds that managers should make decisions that take account of all the interests of all Stakeholders in a firm' (Jensen 2001) the challenge then is to how reconcile the interest of different Stakeholder. One can argue that if the decisions taken by a firm have more effect on other Stakeholders than Shareholders, then it's not irrational to ask that these Stakeholders interest be taken into considerations during the decision making process.

'The Stakeholder Theory stipulates that a multipurpose Corporate entity invariably seeks to provide a balance between the interests of its diverse Stakeholders in order to ensure that each interest constituency receives some degree of satisfaction'***
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***************************f17Theory, the enlightened Stakeholder Theory, was proposed. However, problems relating to empirical testing of the extension have limited its relevance (Sanda *et al*., 2005).

Stewardship Theory posits that managerial opportunism is not relevant (Donaldson & Davis, 1991; Davis, Schoorman & Donaldson, 1997; Muth & Donaldson, 1998). According to the stewardship Theory, a manager's objective is primarily to maximise the firm's Performance because a manager's need for achievement and success is satisfied when the initial condition of better firm Performance is met. One key distinguishing feature of the Theory of stewardship is that it replaces the lack of trust to which Agency Theory refers with respect for authority and an inclination to ethical behaviour. In summary, the stewardship Theory considers the following as essential for ensuring effective Corporate Governance in any entity: *Board of Directors*: The involvement of Non-Executive Directors is important to enhance the effectiveness of the Board's activities because Executive Directors have full knowledge of the firm's operations. This is believed to enhance decision-making and to ensure the sustainability of the business; *Leadership*: Contrary to the Agency Theory, the stewardship Theory stipulates that the positions of CEO and Board chair should be concentrated in the same individual, the reason being that it affords the CEO the opportunity to carry through a decision quickly and without the hindrance of undue bureaucracy; Finally, it is argued that small Board sizes should be encouraged to promote effective communication and decision making.

'Resource Dependency Theory introduces a critical dimension to the debate on Corporate Governance, accessibility to resources, and the Separation of Ownership and control, it indicates that a Board of Directors generally works as a link. Again, the Theory points out that, in real practical terms, organisations usually tend to reduce the uncertainty of External influences to ensure that resources are available for their survival and development. By implication, this Theory seems to suggest that the issue of the dichotomy between Executive and Non-Executive Directors is actually irrelevant. The Theory indicates that what is relevant is the firm's presence on the Boards of Directors of other organisations, to establish relationships in order to have access to resources in the form of information which could then be utilised to the firm's advantage'.

‘It is clear from the foregoing analysis that the above schools of thought have but one single objective, namely proper Corporate Governance for enhanced Performance, though they propose different approaches in addressing the fundamental objective. From the Agency perspective, it is argued that the delegation of managerial responsibilities by principals (owners) to agents (managers) necessitates the presence of mechanisms that align the divergent interests of the Corporate constituencies or that ensures that managers use their delegated power to generate the highest possible return for the principals. As noted earlier, one of such mechanisms is effective Corporate Governance. In this vein, the governance mechanism seeks to protect the interests of all Stakeholders in a firm’.

The structure of laws and Accountability issues regarding Corporate Governance is changing worldwide and Directors are being held responsible everyday for the success or failure of the companies they govern. Corporate Boards are responsible for major decisions like changing corporation bylaws, issuing shares, declaring dividends, among others. This, to some extent, explains why discussions on Corporate Governance usually focus on Boards. The Board of Directors is the “apex” of the controlling system in an organisation and it is there to monitor the activities of top Management and to ensure that the interests of Shareholders are protected (Jensen, 1993, p 25; Short *et al.*, 1999, p. 25). It acts as the fulcrum between the owners and controllers of the corporation (Monks & Minow, 2001, p. 25). It is the single most important Corporate Governance mechanism (Blair, 1995, p. 25). The Board of Directors is the institution to which managers of a Company are accountable before the law for the Company’s activities (Oxford Analytica Ltd, 1992:7). Studies have shown that Boards of Directors are effective mechanism for effective monitoring of managers (Byrd & Hickman, 1992; Fama & Jensen, 1983). Again, Fama and Jensen (1983) extend the argument that Boards will be able to effectively monitor Management when there are more Non-Executive Directors on the Board. According to Tricker (1984), the regulation of companies is necessary to prevent the abuse of Corporate power and make the Board of Directors effective. Apart from the duty of loyalty to the Company’s Shareholders, the Board is also responsible for exercising due diligence in decision making. Specifically, it selects, evaluates, and if necessary, replaces the CEO based on Performance.

It is widely claimed that good Corporate Governance enhances a firm’s Performance (Brickley *et al.*, 1994; Brickley & James, 1987; Byrd & Hickman, 1992; Chung *et al.*, 2003; Hossain *et al.*, 2000; Lee *et al.*, 1992; Rosenstein & Wyatt, 1990; Weisbach, 1988). In spite of the generally accepted notion that effective Corporate Governance enhances firm

Performance, other studies have reported a negative relationship between Corporate Governance and firm Performance (Bathala & Rao, 1995; Hutchinson, 2002), or find that there is no relationship between Corporate Governance and firm Performance (Park & Shin, 2003; Prevost *et al.*, 2002; Singh & Davidson, 2003; Young, 2003). Reasons for such inconsistencies are several and varying. Some have argued that the restrictive use of either publicly available Data or survey Data could be part of the problem. It has also been pointed out that the nature of Performance measures (that is. restrictive use of accounting-based measures such as return on assets (ROA), return on equity (ROE), return on capital employed (ROCE) or restrictive use of market-based measures (such as Market value of equities) could also contribute to this inconsistency (Gani & Jermias, 2006). Furthermore, it has been argued that the "theoretical and empirical literature in Corporate Governance considers the relationship between Corporate Performance and ownership or structure of Boards of Directors mostly using only two of these variables at a time" (Krivogorsky, 2006). For instance, Hermalin and Weisbach (1991) and McAvoy *et al.* (1983) studied the correlation between Board composition and Performance while Hermalin and Weisbach (1991), Himmelberg *et al.* (1999), and Demsetz and Villalonga (2001) studied the relationship between managerial ownership and firm Performance. Thus, to address some of these problems, it is recommended that a look at Corporate Governance and its correlation with firm Performance should take these issues into account. The Study adds to the literature by employing both market-based and accounting-based Performance measures namely return on assets
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Banks. The more complex Agency problem due to information asymmetry between owners and managers, in Banking is exacerbated by the existence of at least three more relationships between: depositors, the Bank and the regulator; owners, managers and the regulator; and, borrowers, managers and the regulator.

Macey and O'Hara (2003) identify four points to distinguish Banks from other firms. First, the liquidity production role of Banks, which is explained through the capital structure of Banks, is argued to be unique in two aspects. One, Banks usually have very little equity compared to other firms, and two, Banks' liabilities are in form of deposits, which are available to their creditors/depositors on demand, while the Banks' assets are loans that on average have longer maturities (than the liabilities). The mismatch between liabilities and assets can become a problem with Corporate Governance implications in the unusual situation of a Bank run.

Bathala et al. (2007) using a comprehensive Database of the Institutional Shareholder Services (ISS) for 5298 firms in the US, argue that Corporate Governance practices are affected by the regulatory oversight and the size of the firm. Differences are more pronounced in Corporate Governance practices of smaller firms mainly due to exacerbated information asymmetry, increased Agency cost and monitoring differences between regulated and Non-regulated industries.

Spong and Sullivan (2007) consider a sample of 143 state-Chartered community Banks in America's Midwest, and consistently with financial Theory, report a positive correlation between improving Bank Performance and the reduction in principal-agent problems.

Trayler (2007) uses key governance variables which are based on Board characteristics (such as number of Directors, percentage of inside Directors, Independent Chairperson, statement from the Board on Corporate Governance, statement from the Board on risk direction for Bank, and the existence of a risk Committee) to evaluate return on assets (ROA), return on equity (ROE), BIS capital adequacy, equity to assets, and provision for loan losses to loans. The multiple regression analysis results show that the coefficients for Internal Directors and independent Chairperson are negative and statistically significant at 1 per cent. This means a lower proportion of Internal Directors will improve the Bank Performance. The same is true for an Internal Chairperson, which is at odds with the legal requirement by some countries and or stock exchanges for an independent Chairperson.

Adams and Mehran (2003) describe the differences and similarities of unregulated manufacturing firms and regulated Bank holding companies (BHCs). In their sample of thirty five BHC companies for the period 1986-1996, they consider a number of governance variables or proxies such as: the Board size and composition, number of Committees and meetings, compensation schemes for CEOs, ownership structure, and few other that have received attention by Researchers in economics, law, Management, and organisation.

Spira (2003) also observes that in the description of the roles of the Audit Committee terms such as to review; to discuss; to recommend; to undertake; to examine among others, are used to indicate the nature of their responsibilities. Essentially, they are terms that suggest oversight functions on activities or roles performed by a third party. This may be over members of the Company staff such as Internal control personnel or the Management or over persons or entities employed by the firm such as the External Auditor. She further suggested that the Audit Committee essentially plays the following advisory roles: "the Audit Committee is a subcommittee of the main Board of Directors, with a remit covering issues relating to financial reporting, Audit and Internal financial control. It has no decision making powers and does not report directly to Company Shareholders. Its "output" consists of reports and recommendations to the main Board, offering assurance by providing formal evidence of its oversight activities. Its role is advisory and largely reactive" (Spira, 2003).

Moorland (2005) asserts that ‘stockholders rely upon Auditors to provide some assurance that the financial statements of a firm are not misleading’. ‘He asserts that it is crucial that the monitoring provided by External Auditors is no impaired and thus the most important factor for the proper discharge of their Auditing function is their independence’.

Peasnell (2003)‘examine the effect of various characteristics of Boards and Audit Accountability on constraining earnings Management. He uses discretionary current accruals (using the Jones 1991 model) to measure earnings Management for a sample of 282 US firms for the years 1992, 1994 and 1996. Companies with a larger proportion of independent Directors will be less likely to engage in earnings Management than those whose Boards which have a majority of Executive Directors. His results support the Researcher’s tentative hypothesis. One remarkable limitation of the Study is the use of only two control variables. The only control for firm size is using the log of the market value of equity, and year, using two dummy variables taking the value of 1 if the analysis year is 1992 or 1996. Other studies show that there are many other important control variables, such as managerial ownership, leverage, Audit quality and a presence of block holders’.

According to Allen (2009), ‘managers may overpay themselves and give themselves extravagant perks; they may carry out unprofitable, but power-enhancing investments; they may seek to entrench themselves. In addition, managers may have goals that are more genuine but are still inconsistent with value maximization. They may be reluctant to lay off workers that are no longer productive. Or they may believe that they are the best people to run the Company when in fact they are not. In view of the managers’ ability to pursue their own agenda, it is obviously important that there exist checks and balances on managerial behaviour. A major part of Corporate Governance concerns the Design of such checks and balances’.

McConnell and Servaes (1990) have also shown that the ratio is nonlinearly related to the degree of insider ownership. These results underscore the importance of managerial ownership as a control mechanism. This is because it may be argued that increases in Performance associated with increases in managerial ownership came about due to interest congruence between the two and the consequent constraining of Agency costs. On the other hand, excessive increases in managerial ownership may become counterproductive and may facilitate managerial expropriate on which may explain the inverse relationship between the two variables as reported in these studies.

Pfeffer (1972) documented the fact that the percentage of insider Directors is higher on the Boards of declining firms. established a relationship between the degree of financial health of a firm and the Board composition when they categorized Directors into „insider, gray and independent outsider‟. Their results showed that firms with a lower proportion of insider Directors achieved higher returns on investment. Also firms with above average Performance were shown to have a higher percentage of outside Directors than firms with lower than average Performance. Judge and Zeithami (1992) found that high insider ownership and representation on the Board is associated with lower involvement in strategic decision making. The implication is that as a CEO becomes dominant, he facilitates expropriation and can also lead to managerial collusion and transfer of Shareholders‟ wealth (Fama, 1980). Dechow et al (1996) noted that fraud was more likely in a firm where inside Directors had a substantial share ownership. All these results underscore the fact that although managerial ownership is important as it may complement other control mechanisms, there are also negative possibilities arising from such structures.

Bergstresser and Philippon (2006) examine the relationship between accruals and managerial ownership for one year, 1996, and find evidence that the more closely a CEO's compensation is tied to the value of stock and options, the more likely it is that discretionary accruals will be used to manipulate profits. Teshima and Shuto (2008) examine the effect of managerial ownership on earnings Management using discretionary accruals.

David Carse, Deputy Chief Executive of the Hong Kong Monetary Authority, observed in 2000 that: "Corporate Governance is of course not just important for Banks. It is something that needs to be addressed in relation to all companies' sound Corporate Governance is particularly important for Banks. He further stated that, "the rapid changes brought about by globalization, deregulation and are increasing the risks in banking systems. Moreover, unlike other companies, most of the funds used by Banks to conduct their business belong to their creditors, in particular to their depositors. Linked to this is the fact that the failure of a Bank affects not only its own Stakeholders, but may have a systemic impact on the stability of other Banks. All the more reason therefore is to try to ensure that Banks are properly managed."

According to Mark (2000), 'Corporate Governance is about building credibility, ensuring transparency and Accountability as well as maintaining an effective channel of information disclosure that would foster good Corporate Performance'. 'It is also about how to build trust and sustain confidence among the various interest groups that make up an organization'. Indeed the outcome of a survey by Mckinsey in collaboration with the World Bank in June 2000, p.19'attested to the strong link between Corporate Governance and Stakeholder confidence'.

According to Steyn, (2002), 'the role of the Board in creating an environment where a corporation can succeed is the key to future success of the business. The Board should work to ensure that it builds a united, cohesive and coordinated team working towards the main goal of attaining desired Corporate Performance'. 'Also Directors can be held personally liable for the Bank's misfortunes, which can lead to being removed from office by disgruntled Shareholders. Directors have a duty to look after the Company and its business in a proper manner. There is need for greater control over Corporate entities due to the increasing concern about Corporate failures and the need for better monitoring'.
In a conclusion, eeffective Management of organizational resources requires good Corporate Governance practice particularly in banking industry where there is Management/Shareholders separation.It is widely claimed that good Corporate Governance enhances a firm's Performance.

Conceptual Framework
Overall, the existing literature on how good Corporate Governance contributes to improving the credibility of Performance and prevents aggressive earnings Management practices is not well developed and has several limitations. No single Research thus far, has undertaken a comprehensive Study of the relationship between Audit Committees and financial Performance.

Overall, the Corporate Governance and Performance literature suggests that ownership structures influence the credibility of financial reporting. Regarding managerial ownership, the overwhelming majority of prior studies suggest that low managerial ownership is a good governance attribute, and this runs counter to the proposition of Agency Theory. However, the review of the results indicates that high institutional ownership is associated with less earnings Management. The review of the prior studies of the association between block holders ownership and earnings Management shows inconclusive results. Some results suggest that block holders may behave in aggressive ways and collude with managers against the Shareholders' interests, while other Researchers find the opposite.

Therefore, there is a need to comprehensively Study the relationship of Audit Committees to Performance, the relationship between Accountability and Performance and the influence of Separation of Ownership and Management on Bank Performance.

The independent variable is Corporate Governance while dependent variable Performance. The independent variable has been analyzed on the basis of Accountability, Audit Committees, and Separation of Ownership. On the other hand the dependent variable is measured in terms of return on assets, return on equity, proper financial Management, earnings per share and fraud control.

Figure 2.1: Conceptual Framework.

Independent variable

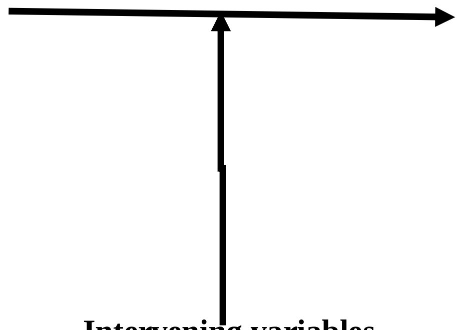
Corporate Governance

- Board Audit Committees
- Accountability
- Separation of Ownership

Dependent variable

Performance

- Proper finance Management
- Fraud control
- Earnings per share (EPS)



Intervening variables

- Bank size
- Clear division of responsibilities
- Organisation Internal control systems
- Quality of Audit

Source: Kiel et al, 2012, Pg. 7 and modified by the Researcher, *2018 from Literature review.*

'A conceptual framework is the hypothesized model identifying the concepts under Study and their relationships' (Garvin, 2007). The independent variable was Corporate Governance which refers to Auditing, Accountability and Separation of Ownership. Auditing refers to: Auditing work available investigating fraud, ensuring the protection of Shareholder's interest, and verifying Company's day to day operations. Accountability refers to: review of supporting documentation of Internal Controls, financial transparency and information disclosure while Separation of Ownership refers to: Shareholders, Board of Directors, managers and employees. The dependent variable was Organisational Performance which refers to: proper funds Management, fraud control, profitability, margin growth rate, debt level, and quality of service delivery. The intervening variables were Bank size, Clear division of Responsibilities and Quality of Audit.

CHAPTER THREE

RESEARCH METHODOLOGY

Introduction

This Chapter presents Research Methodology. It highlights Research Design and Data collection. It described and discussed the Research Design, Study Population, sample size determination, sampling techniques, Data collection methods, Data collection instruments, validity and reliability, Data collection procedures, Data analysis, measurement of variables and ethical considerations.

Research Design

The Study Research Design was based on Research approach, Research strategy, and Research duration and Research classification as described here below.

Research approach

The Study employed the pragmatic approach which encompasses both Quantitative and Qualitative Research. Quantitative Research involves collecting and converting data into numerical form so that statistical calculations can be made and conclusions about what is happening in the Bank are drawn while Qualitative Research involves recording, analyzing and attempting to uncover the deeper meaning and significance of human behaviors and emotions. The Study used hypotheses, to predict the relationship between the two variables under investigation.

Research strategy

The case Study strategy was chosen in preference to other Research strategy because it allows the collection of large amount of Data from a considerable Population in a highly economical way. The major source of Data included: questionnaires, interviews and secondary Data. The Researcher adopted a case Study due to difficult to establish what goes on in regard to Corporate Governance in the Banking sector in Uganda. Without a case Study approach, conducting such a Study would require enormous resources. In attempting to be effective in answering how the Banking sector deal with the Corporate Governance policy framework, why they do what they do and the result of that Barclays Bank was chosen. The Bank is a representative of the group and faces similar challenges in Corporate Governance and Performance. The case Study strategy was employed to analyze how the objectives are handled and the effects on Performance.

Research Duration

The Study employed a longitudinal Study where the Researcher conducted several observations over a period of time.It took a period of six months from June to December 2017 and considered Barclays Bank, Kampala Road Branch's reports of five years that is from 2012 to 2017 and this is the time when the Bank started facing Corporate Governance challenges. Judgments done overtime were the key issue in designing questionnaires, in focus group discussions and interviews. This was a representative of issues and phenomena over a given period of time but information picked at a point in time. However from conception through proposal writing and execution of the Research project took more than one year.

Research Classification

The Study employed both quantitative and qualitative approaches. This was done in order to find out what is happening, profiling the situation and examining the relationship between Corporate Governance and Performance of the Banking sector. The Study aimed at establishing how the independent variable (Corporate Governance) impinges on the dependent variable (Performance) .Quantitative Data was collected to present the occurrence in terms of numbers and figures while Qualitative Data was collected to explain the occurrences in depth.

Study Limitations

Biased clients: the Researcher met people who were resistant to reveal information about their institution and who ended up giving the wrong information.

Respondent's failure to understand the questionnaires: some questions on the questionnaires were not understood by the respondents thus resulting in unreliable information.

Financial constraints: the Researcher required and used a lot of money for travelling, typing and printing questionnaires.

Time limitations: the Researcher faced time limitations since the Research required a lot of work. The quantitative measure was given out by a structured questionnaire divided into two sections. It evaluated former and current Board members, top Management teams and chief Executives offices on Accountability, transparency, and fairness of decisions and Performance.

Study Population

The Study covered Barclays Bank, Kampala Road Branch Population. "Population refers to an entire group of individuals, events or objects having a common observable characteristic" as Mugenda and Mugenda (2003) posit. The Population of the Study was 80. Out of the entire Population, sample sizes of 66 respondents were selected, comprising of 02 members of the Directors, 21 Heads of Department, 1 Branch manager and 42 Team Leaders/ Tellers.

Sample size and its determination

The Researcher used sample size determination table as recommended by Morgan and Krejcie (1970).

Table 3.1Sampling Frame

Category	**Population**	**Sample size**	**Sampling methods**
Members of Directors	04	02	Purposive and convenient
Heads of Department/Section	25	21	Simple random
Branch manager	01	01	Census
Team leaders/ Tellers	50	42	Simple Random
Total	**80**	**66**	

Source: Primary Data(2018)

Although there are many respondents in Barclays Bank Kampala Road, the sample were taken from a proportion of members in different departments. Table 3.1 above indicates that the total accessible Population of the Study is 80 but due to time and financial implications an appropriate sample size of 66 employees was adequate by using Krejcie and Morgan (1970).

Sampling methods

The Study used both probability and Non-probability sampling methods. Under probability sampling method, the Study adopted simple random sampling because it avoids bias as recommended by (Amin, 2005). Under Non-probability sampling, the Study used purposive and convenient sampling techniques because they helped the Researcher to zero on people that were critical for Research.

Data Collection Methods

In this Study, both primary and secondary Data were collected.The Study used Data collection methods of interviewing, focus group discussion (primary Data collection) and documentary review (secondary Data collection).

Interviewing

The Study used interviewing of all the respondents of Barclays Bank Kampala Road; top, middle and lower staff in order to get clear information. This was used to clarify the Data collected from questionnaires. It was also used in order to add more information which has not been got from questionnaires and documentaries. The advantage of using interviewing is that, it allowed on spot explanations, adjustments and variation which are identified during Data collection process and through respondent's incidental comments, use of facial and body expressions, tone of voice, gestures, feelings and attitudes (Amin, 2005, p.g 178). The Study also adopted this method because it gave an opportunity to probe further in-depth information especially where the questions are not understood. It helps in Capturing verbal and Non-verbal questions, it Keeps the Researcher more focused during Data collection, the interviewer is the one that has control over the interview and can keep the interviewee focused and on track to completion**.**

Focus group discussion

The Researcher held group discussion with respondents and while using this method, the Researcher grouped the respondents according to their sex and age group in order to get differences and similarities in their views.

Documentary Review

The Researcher checked the available literatures that concerns Barclays Bank. This included documents Annual Reports from Barclays Bank Kampala Road and journals from Bank of Uganda. The Study critically analysed the records to get the appropriate writings that concerns Barclays Bank Kampala Road. The advantages in conducting documentary Research are that, the Researcher had access to information that was difficult to get from people in a formal Research interview. It helped the Researcher in collection of Data over a longer period of time as well as larger samples than might be collected from questionnaires or interviews. It also helped the Researcher to access some documents that contain spontaneous information, such as feelings and refer to actions that are recorded in a specific context, not with a view to answering a particular Research question.

The Researcher also obtained secondary Data from various sources including Bank of Uganda annual reports, journals from Nkumba University main library, the internet, and other sources. At all times, the Researcher ensured that the exercise was conduct within the ethical guidelines issued by Nkumba University.

Confidential documents gave the Researcher an insight into how people see things or how they want Barclays Bank Management to improve on its financial Performance. The documents reviewed by the Researcher included journal among others because the documents were easily accessible and already located in workplace and on the internet.

Data collection instruments

Self-Administered Questionnaire

According to Babbie and Mouton (2001) a questionnaire is a set of written questions or statements to which the Research subjects are to respond in order to provide Data which is relevant to a Research topic. The questionnaire was administered from office to office since all respondents were confined in one location. This was one of the best Data collection instrument used in collecting from the respondents of Barclays Bank Kampala Road main since they can read and understand and conceptualized ideas.

The questionnaires were structured with close ended questions and structured questions (as reflected in Appendix A). It was formulated from the Study objectives. The Study used questionnaires because of the nature of the Data which sought for feelings and perceptions of respondents given the time available and the objective of the Study. Questionnaires were used to avoid subjectivity that results from close contact between Researcher and the respondents. The questionnaire was preferred because it was used to collect a lot of information over a short time and less expensive.

Focus Group Discussion Guide

Focus Group Discussion was another method used in Data collection instrument on Corporate Governance and Performance of Barclays Bank, Kampala Road Branch. Krueger, (1988) defines a focus group as “a carefully planned discussion designed to obtain perceptions in a defined area of interest in permissive Non-treating environment”. In this Study the Researcher conducted discussion with groups of participants.

“The Researcher used Focus Group Discussion guide as important method of Data collection instrument to triangulate method of Data collection for the purpose of validity and reliability of information collected since through Focus Group Discussion it is possible to assess the diversity of views quickly from participants” (Patton *et al.,* 2002).

Focus Group Discussion was adopted because it is cost-effective method of Data collection. Patton (2002) argued that “in one hour, you can gather information from eight instead of one”. Similarly Krueger (1994) holds that “focus group discussion is widely accepted in making Research because they produce believable results at reasonable cost”. “Focus group discussion enabled the Researcher to explore in-depth information about how people think about an issue under investigation within short period of time”.

The respondents from the Bank were invited for a group focused discussions. The major issues covered by this instrument were to examine how Corporate Governance has established Board Audit Committee on Performance of Barclays Bank Kampala Road Branch to oversee the effectiveness of its Internal and External Auditors, examining how Corporate Governance has established Accountability on Performance of Barclays Bank Kampala Road Branch to achieve the highest standards and deliver value for its customers and clients as well as examining how Corporate Governance has established Separation of Ownership on Performance of Barclays Bank Kampala Road Branch were explored by focus group discussion.

Interview guide

The Researcher also used interview guide to collect Data from the respondents (Appendix II). The interview guide was preferred because most respondents are not in fixed places where questionnaires was delivered and picked later. This method was also preferred because it generated a wide range of responses and hence facilitated the collection of rich Data. The interview guide easily collected Data from the primary source which was used to collect firsthand information for this Study.

Data Quality Control

Validity and reliability were used to measure the variables.

Reliability of instruments

It is the ability of the instrument to collect the same Data which is consistent, reliable to the previous results after repeated trials or tests (Gravetter and Forzano, 2009). The Researcher repeated the procedures of Data collection with appropriate instruments to discover reliability. There was a pre- test and the result got was used to verify the reliability of the Data. According to Sekaran (2000) Alpha values for each variable under Study should not be less than 0.6 for the instruments to be deemed reliable.

Procedures of Data collection

The Researcher obtained a supporting letter from the school signed by the coordinator of Research was attached to the questionnaire explaining the objectives of the Research addressed to the Manager, Barclays Bank Kampala Road. The Researcher got permission and the cover letter assured respondents of confidentiality of the Data that was provided. Prior arrangements with the respondents were made and the Researcher made arrangements for the facilitation and security of the collected Data and how it was analyzed.

Cronbach's Alpha

The Cronbach Alpha value was computed to test the reliability of the items in the questionnaire on the background information of respondents and independent and dependent variables and the value of 0.865 for 46 items was generated as indicated in table 3.2 below.Since the alpha value was above the benchmark value 0f 0.6, it implies that the instruments were reliable.

Table 3.1: Reliability Statistics

Cronbach's Alpha	N of Items
.865	46

Source: Field Data (2018)

Validity

Validity is the ability to produce findings that are in agreement with the conceptual values (Sarantakos, 1998). To establish validity, the Researcher pre-tested the questionnaires within the new Branch at Acacia mall. This was intended to find outwhether the instruments gave consistent responses and produced results that reflected the true situation of intended Study.

The Study therefore used an experts' opinion from the supervisor to confirm the correctness of the instrument by reformulating the statements which the respondents pointed out to be unclear and those that were not directly related to the Study.

Data processing

Data from the filled questionnaires was compiled, edited, sorted, classified and then entered into the computer using the SPSS package Version 20.0 to generate Data analysis.

Data analysis

Quantitative analysis

Data was obtained from close-ended responses and were analyzed using the descriptive option of SPSS (Statistical package social scientist Version 20.0) computer package. This method is preferred because it is modern, faster and simplifies the analyzing of Data. This involved transforming the options to each item in the administered instruments into codes. The codes that was used are "1" "2" "3" "4" and "5" where 5 represented strongly Agree, 2 Disagree, 3 neither agree nor disagree, 4 Agree and 5 strongly agree respectively. Data analysis from questionnaires was done by categorizing responses into frequency counts and percentages. The Pearson's correlation co-efficient method was used because it is the most appropriate for determining whether there is a relationship between independent variable (IV) and dependent variable (DV) is quantitative Data. Pearson's product moment correlation is most suitable since it enables the Researcher to identify whether there is a linear relationship between Audit Committees and Performance, Accountability and Performance, and Separation of Ownership on financial Performance of Barclays Bank (Uganda) Limited. Quantitative Data results were presented in form of tables to enhance proper understanding of Data while qualitative results were presented in a narrative form.

Qualitative analysis

This was used to analyze all Data collected using interview guides and it was done basing on existing sub themes in other words thematic analysis was used. The results were then intergraded into quantitative statistics generated from the questionnaires.

Research Ethical Consideration

The Researcher assured the respondents of confidentiality of the information that was obtained from the field. Ethical letter (Appendix 5) was submitted to the respondents to re-assure them of confidentiality of the information they provide.Saunders (2009) stated that "Ethic refers to the appropriateness of your behaviour in relation to the rights of those who became the subject of your work, or are affected by it." They indicated that access and ethics are really important for the success of any Research. It is necessary to pay more attention on how to get access to the Data required and acting ethically.

CHAPTER FOUR

DEMOGRAPHIC CHARACTERISTICS OF RESPONDENTS

Background Information of Respondents

This section presents the demographic characteristics of respondents (that is. gender, marital status, age, the number years of services in Barclays Bank Kampala Road, highest level of education and levels of Management) is reported.

Response Rate

The Study targeted 80 Population to provide the information of the Study and 66 questionnaires were distributed to the respondents who composed the sample size of the Study. Out of the 66 distributed questionnaires, 46 usable questionnaires were returned giving a response rate of 69.6% which was acceptable for the Study according to Sekaran (2003).

4.1 Respondents by Gender

Respondents were asked to reflect their sex and the responses are shown in the table below.

Table 4.1 Distribution of respondents by Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	18	39.1	39.1	39.1
	Female	28	60.9	60.9	100.0
	Total	46	100.0	100.0	

Source: Field Data(2018)

According to table 4.1, females dominated the sample by contributing 60.9% of the respondents compared to 39.1% males suggesting their larger numbers among employees of Barclays Bank Uganda limited Kampala Road.

4.2 Respondents by Marital Status

The Study also sought to ascertain the marital status of the respondents that participated in the Study and results obtained are summarized in the table below:

Table 4.2: Marital status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Married	15	32.6	32.6	32.6
	Single	27	58.7	58.7	91.3
	Widow	4	8.7	8.7	100.0
	Total	46	100.0	100.0	

Source: Field Data(2018)

Findings of the Study in the table 4.2 above show that, of the total respondents used in the Study, 15(32.6%) were married, 27(58.7%) were single, 4(8.7%) were widows. This implies that the Researcher used a considerable number of respondents from the selected Study and all members had an equal chance of participating in the Study. However, the majority (58.7%) of the respondents at Barclays Bank Kampala Road were single. This indicated that the unmarried people comprise the largest number of people who responded to questions on Corporate Governance and Performance.

4.3 Respondents by Years of Service in Barclays Bank Kampala Road

The Study sought to ascertain the years in service in Barclays Bank Kampala Road and results obtained are summarized in the table below:

Table 4.3: Years of service in Barclays Bank Kampala Road

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 5 years	15	32.6	32.6	32.6
	5 - 10 years	20	43.5	43.5	76.1
	10 years and above	11	23.9	23.9	100.0
	Total	46	100.0	100.0	

Source: Field Data (2018)

Research findings indicated that majority of the respondents (43.5%) had worked with Barclays Bank Kampala Road between 5 – 10 years. Findings revealed that those who had worked with the institution for less than five year were only 32.6% and those who had worked with the institution for over 10 years were 23.9%. Since the majority had worked with the institution for over five years, this indicated that that the respondents had enough information and experience in the Banking institution and therefore properly knew the issues to do with Corporate Governance and financial Performance.

4.4 Respondents by Age

The Study sought to ascertain the age of the respondents who participated in the Study and results obtained are summarized in the table below:

Table 4.4: Age group

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	20 - 30 years	20	43.5	43.5	43.5
	30 - 40 years	12	26.1	26.1	69.6
	40 - 50 years	9	19.6	19.6	89.1

	50 and above	5	10.9	10.9	100.0
	Total	46	100.0	100.0	

Source: Field Data (2018)

Table 4.4 shows that 20 – 30 years contributed to 43.5% of the respondents, followed by 30 – 40 years age bracket (26.1%), 40 – 50 years contributed to 19.6% and a few respondents were in the 50 years and above age bracket (10.9). This implies that Barclays Bank Kampala Roadhas a youthful Population that is well acquainted with matters of Corporate Governance to the sector.

4.5 Respondents by highest level of Education

The Study sought to ascertain the highest level of Education of the respondents that participated in the Study and results obtained are summarized in the table below:

Table 4.5: Highest level of Education

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Post graduate	5	10.9	10.9	10.9
	Bachelor’s Degree	33	71.7	71.7	82.6
	Diploma	7	15.2	15.2	97.8
	Certificate	1	2.2	2.2	100.0
	Total	46	100.0	100.0	

Source: Field Data(2018)

According to table 4.5, 5(10.9) of the respondents had qualifications of post graduate, 33(71.7) had a bachelor’s degree, 7(15.2) had a diploma while those with certificates were 1(2.2). Most employees in Barclays Bank Kampala Road had a Bachelor’s Degree which suggests that majority (82.6%) of the respondents in the Bank are well qualified staff that was able to adequately respond to the questions in the questionnaire used in the survey.

4.6: Respondents by Level of Management

The Research sought to ascertain the Level of Management of the respondents that participated in the Study and results obtained are summarized in the table below:

Table 4.6: Level of Management

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Top Management	4	8.7	8.7	8.7

Middle Management	10	21.7	21.7	30.4
Supervisors	9	19.6	19.6	50.0
Officers	23	50.0	50.0	100.0
Total	46	100.0	100.0	

Source: Field Data(2018)

Findings of the Research in the table 4.6 above shows that 4(8.7%) of the total respondents were top Management, 10(21.7%) were middle Management, 9(19.6%) are supervisors, and 23(50.0%) were Officers. This implies that Officers were the majority in Barclays Bank Kampala Road Branch and more willing to participate in the Study.

Corporate Governance in the Bank

According to the business dictionary.com, a Bank is an entity which is licensed by the governing authorities to receive clients' deposits, make interest payments, provide credit facilities and intermediate between two or more parties in financial transactions, as well as render other services of similar nature to its clients.

Two key differences distinguish Banks from Non-financial firms. Firstly, Banks have multiple Stakeholders. Secondly, the business of Banking is complex, opaque and potentially highly dynamic. About 90% of a Bank's capital may be attributable to debt holders (mainly depositors) as opposed to just 40% for Non-financial firms, (Mehran, Morrison and Shapiro, 2011).

Corporate Governance in the Bank should be seen as unique as compared to other ordinary firms and may pose a rather complicated Agency problem. Whereas for an ordinary firm, the interest of the Shareholders are being protected as top priority, the clients, principally depositors, are the ones who need more protection in the case of a Bank. In actual fact, a Bank in which a Shareholder has managerial powers may be more at risk than other Banks not experiencing that situation due to the fact that such persons will have the ability to be domineering over other managers who are committed to the continued existence of the Bank. A Theory of Corporate Governance must therefore take into consideration a combination of forces both within and outside the organization so as to obtain the right balance of private and public interest, Ciancanelli and Gonzalez, (2000).

According to BIS central Bankers' speeches "Good Corporate Governance has become increasingly recognised worldwide as essential for the efficient functioning of market economies and to ensure that they function in the interests of the wider society, and not just those with power and wealth. The focus of Corporate Governance is the manner in which the business and operation of a firm is governed by its Board of Directors and Senior Management".

"At the core of Corporate Governance is the relationship between what are often termed the "insiders" of firms – dominant Shareholders and senior managers – and the "outsiders" who include small Shareholders, the creditors of the firm, its employees and customers and the general public. A key objective of Corporate Governance is to ensure that the insiders who control the Management of a firm do not abuse their control and act in a manner which is detrimental to the interests of outsiders".

"Good Corporate Governance is even more important for Banks than it is for Non-financial firms, for two key reasons. The first is the much greater inherent opacity of the balance sheet of Banks; it is difficult for outsiders to evaluate the quality of the assets which a Bank holds and, therefore, its true financial position. Secondly, the potential negative Externalities of Bank failures are very damaging for the economy and for society, as was demonstrated vividly by the global financial crisis".

"Corporate Governance in Banking has certain features which distinguish it from Corporate Governance in Non financial firms. This is because of the unique characteristics of Banks, in particular the fact they are very heavily leveraged and that most of their liabilities are owed to a large number of atomised depositors who have the most to lose from abusive or negligent Management. Consequently, a priority of Corporate Governance in Banking is the protection of the interests of depositors. In addition, the Corporate Governance of Banks attaches particular importance to the veracity of financial information".

The Role of the Board of Directors

According to BIS central Bankers' speeches, "Corporate Governance regulations place great emphasis on the fiduciary responsibilities which the Board of Directors owes to the Bank, its depositors and Shareholders and to the wider society. The Board collectively must take ultimate responsibility for the Performance of the Bank and for the manner in which it conducts its operations. The Directors must lead from the top. They must set the strategic policies of the Bank and establish its Corporate values. They must also ensure that a Bank's policies prohibit corruption and conflicts of interest in the Bank's operations. An important function of the Board is to define clearly the duties and responsibilities of each member of the Bank's senior Management".

"To exercise their responsibilities, the Directors themselves must be of the highest integrity and have the professional expertise necessary to understand the nature of a Banking operation and, in particular, how it differs from that of a Non Bank Company, and what that means for the fiduciary responsibilities of the Directors. Our regulations also stress that an individual Directors cannot hide behind collective Board responsibility. Each Directors can be held individually responsible for any failings of the Bank. He or she has a responsibility to report in writing to the Bank regulator – the Bank of Uganda – if he or she has any reason to doubt that the Bank may not be able to meet all of its obligations to its creditors or may not be able to operate as a going concern in the future".
Barclay's Corporate secretariat (2016), "The Board is responsible to Shareholders for creating and delivering sustainable Shareholder value through the Management of the group's businesses. it should therefore determine the strategic objectives and policies of the group to deliver such long-term value, providing overall strategic direction within a framework of rewards, incentives and controls. The Board must ensure that Management strikes an appropriate balance between promoting long-term growth and delivering short-term objectives. The Board, in order to be effective, should demonstrate ethical leadership and promote the Company's collective vision of the Company's purpose, values, culture and behaviours, referred to as 'Barclay's values'. The Directors should lead by example and ensure that good standards of behaviour permeate throughout all levels of the group. This helps prevent misconduct and unethical practices and supports the delivery of long-term, sustainable success".

Directors must act in a way they consider, in good faith, would promote the success of the Company for the benefit of the Shareholders as a whole and, in doing so, have regard (amongst other matters) to:

1. The likely consequences of any decision in the long-term;
2. The interests of Barclays' employees;
3. The need to foster Barclays' business relationships with suppliers, customers and others;
4. The impact of Barclays' operations on the community and the environment;

5. The desirability of Barclays maintaining a reputation for high standards of business conduct; and
6. The need to act fairly as between Shareholders of Barclays.

Barclay's Corporate secretariat (2016), "The Board is also responsible for ensuring that Management maintain a system of Internal control which provides assurance of effective and efficient operations, Internal financial controls and compliance with law and regulation. in addition, the Board is responsible for ensuring that Management maintain an effective risk Management and oversight process at the highest level across the group. In carrying out these responsibilities, the Board must have regard to what is appropriate for the group's business and reputation, the materiality of the financial and other risks inherent in the business and the relative costs and benefits of implementing specific controls".

"The Board is also the decision-making body for all other matters of such importance as to be of significance to the group as a whole because of their strategic, financial or reputational implications or consequences".

The Board has a duty to act in accordance with its powers and Directors must:
1. Act in accordance with the Company's constitution, and
2. Only exercise powers for the purposes for which they are conferred.

Powers reserved to the Board include the approval of the group's strategy, the interim and full year financial statements, significant changes in accounting policy and practice, the appointment or removal of Directors or the Company secretary, Directors' conflicts of interest, changes to the group's capital structure and major acquisitions, mergers, disposals or capital expenditure.

Number of Directors

According to Barclay's Corporate Secretariat (2016), "The articles of association specify that the number of Directors shall not be less than 5. There is no maximum limit on the number of Directors. The Board has power under the articles of association to appoint a Director to fill a casual vacancy or as additional Directors. Directors appointed by the Board in this manner must stand for election by Shareholders at the next annual general meeting following their appointment".

“It is Barclays’ policy to have a balance between Executive and Non-Executive Directors, with the aim of having a majority of independent Non-Executive Directors. The Board nominations Committee regularly reviews the composition of the Board and determined that the optimal size of the Board is between 5 and 7 Directors. The size of the Board is not fixed and may be revised from time to time to reflect the changing needs of the business”.

“The process for appointing new Directors to the Board is determined by the Board nominations Committee. All Directors will have a written contract or letter of appointment setting out the terms of their appointment to the Board. The Directors are subject to annual re-election at the annual general meeting unless the Board determines that there may be a conflict of interest between the long-term interests of Barclays and short-term uncertainty of voting”.

CHAPTER FIVE

BOARD AUDIT COMMITTEES AND PERFORMANCE OF BARCLAYS BANK, KAMPALA ROAD BRANCH.

Introduction

This Chapter presents on the results of the first objective of the Study which sought to examine how Barclays Bank has established Board Audit Committee to oversee the Performance and effectiveness of its Internal and External Auditors. This Chapter reflects the characteristics of respondents and then presents, analyses and interprets the findings of descriptive statistics, Pearson product moment correlation and regression analysis were used. This provides the basis for making the necessary recommendations in this Study.

Rezaee, (2009) asserts that the “Audit Committee is a Committee composed of independent, Non-Executive Directors charged with oversight functions of ensuring responsible Corporate Governance, a reliable financial reporting process, an effective Internal control structure, a credible Audit function, an informed whistle blower complaint process and an appropriate code of business ethics with the purpose of creating long-term Shareholder value while protecting the interests of other Stakeholders".

'The main reasoning of the establishment of the Audit Committee is to answer the constantly changing business environment and to assist the Board of Directors and Management to deal with those challenges said Bromark and Hoffman (1992)'. In their Study, they also added up following challenges as:

1. 'Widening concern regarding Corporate ethics'.
2. 'A cry for fair disclosure of the quality of the Company's earnings and financial condition, and the resulting responsibility of Management and the Board for full and fair disclosure of financial results'.
3. 'Globalization of markets, which has opened new opportunities, increased competition, and created an explosion of the information required to make informed decisions'.
4. 'Widespread use of information technology, including microcomputers and networks, satellite transmissions, and introduction of electronic Data interchange, all of which have changed Internal control methods."

According to the Barclays Bank Board Audit Committee report (2016),'Change continued apace and it has been critical for the Committee to focus on ensuring the commitment to strengthening the control environment is maintained throughout the transformational period. Barclays has during 2016 put in place a significantly changed senior Management team and the Committee colleagues are greatly encouraged by the renewed focus and vigour with which the control environment is being addressed and the sense of personal Accountability that we are seeing. A significant development in the fourth quarter of 2016 was the creation of a chief controls office and the appointment of a Chief Controls Officer, which will drive forward the delivery of an enhanced programme Designed to strengthen the control environment and remediate any known issues. Although the new controls office structure is in its infancy, the Bank welcomes more strategic approach that is now being taken to embed Accountability for a strong control environment into the first line of Management. Such is the importance of this programme to Barclays that, for its initial phase, progress on the framework will be reported directly to the full Board'.

Audit Committee on Performance in the Bank

To examine how Corporate Governance has established Audit Committee on Performance of Barclay Bank Kampala Road Branch, respondents were asked several questions. The findings, analysis and discussions are as shown below.

The Committee adequately understands and reviews the entity's financial reporting requirements

On the question whether the Audit Committee in Barclays Bank Kampala Road understands and reviews the entity's financial reporting requirements, the responses were as summarized in table below.

Table5.1: The Committee Audit adequately understands and reviews the entity's financial reporting requirements

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	6	13.0	13.0	13.0
	Disagree	10	21.7	21.7	34.8
	Neutral	13	28.3	28.3	63.0
	Agree5	15	32.6	32.6	95.7
	Strongly agree	2	4.3	4.3	100.0
	Total	46	100.0	100.0	

Source: Field Data(2018)

As per the results in table 5.1 above the majority, 17(36.9%) of the respondents were cumulatively in agreement that the Committee adequately understands and reviews the entity's financial reporting requirements.This implies that the Committee reviews and, where appropriate, report to the Board on the significant financial reporting issues and estimates and judgments made in connection with the preparation of the Bank's financial statements, interim Management statements, preliminary announcements and any formal announcements relating to the Bank's financial Performance. However 16(34.4%) of the respondents cumulatively disagreed. This implies that there is some inconsistent in the review of the entity's financial reporting requirements.

During my Research I came across Barclays Corporate Secretariat report July 2016 which states that the Audit Committee monitors the integrity of the group's financial statements, interim Management statements, preliminary announcements and any other formal announcements relating to the Company's financial Performance. In particular:

review and challenge where necessary the clarity, completeness and appropriateness of disclosures in the group's financial statements and consider whether the disclosures made are set properly in context, including, without limitation, the going concern and viability statements to be made by the Board of the Company and the related information presented with the financial statements (including the strategic report and Corporate Governance statements relating to the Audit) Barclays Corporate Secretariat report July 2016.

The Committee understands and reviews Management's systems and arrangements for maintaining effective Internal controls

Respondents were asked whether the Committee understands and reviews Management's systems and arrangements for maintaining effective Internal controls in Barclays Bank Kampala Road. Their responses were as indicated in the table below.

Table 5.2:The Audit Committee understands and reviews Management's systems and arrangements for maintaining effective Internal controls

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	3	6.5	6.5	6.5
	Disagree	10	21.7	21.7	28.3
	Neutral	12	26.1	26.1	54.3
	Agree	14	30.4	30.4	84.8
	Strongly agree	7	15.2	15.2	100.0
	Total	46	100.0	100.0	

Source: Field Data(2018)

Table 5.2 indicates that the majority of the respondents 21(45.6%) cumulatively were in agreement that the Committee understands and reviews Management's systems and arrangements for maintaining effective Internal controls, 12(26.1%) were neutral while 13(28.2%) respondents were in disagreement. This implies that the Committeeprovides assurance to the Board that Executive Management's control assurance processes are implemented and are complete and effective. In particular, review the appropriateness and completeness of the system of Internal control.

The Committee effectively addresses its responsibilities in respect of its review and consideration of Audit plans, Audit reports and identified issues

The Study asked respondents whether the Committee effectively addresses its responsibilities in respect of its review and consideration of Audit plans, Audit reports and identified issues in Barclays Bank Kampala Road. The results are indicated in table 4.3 below.

Table5.3: The Audit Committee effectively addresses its responsibilities in respect of its review and consideration of Audit plans, Audit reports and identified issues

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	3	6.5	6.5	6.5
	Disagree	10	21.7	21.7	28.3
	Neutral	8	17.4	17.4	45.7
	Agree	11	23.9	23.9	69.6
	Strongly agree	14	30.4	30.4	100.0
	Total	46	100.0	100.0	

Source: Field Data(2018)

According to table 5.3 above, majority of the respondents 25(54.3%) generally agreed that the Committee effectively addresses its responsibilities in respect of its review and consideration of Audit plans, Audit reports and identified issues in Barclays Bank Kampala Road. This implies that, the Committee monitors and reviews the effectiveness, independence and objectivity of Barclay's Internal Audit.

However, 8(17.4%) 0f the respondents were neutral while 13(28.2%) disagreed. Therefore Audit Committee Barclays Bank Kampala Road should continue to improve, review, assess and approve the Audit plan prepared, including any material changes to the Audit plan.

The Committee understands the entity's business sufficiently to enable it fulfil its responsibilities under the Charter

The Study asked respondents whether the Committee understands the entity's business sufficiently to enable the Committee to fulfill its responsibilities under the Charter. The results are indicated in the table 4.4 below.

Table 5.4: The Audit Committee understands the entity's business sufficiently to enable it fulfil its responsibilities under the Charter

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	7	15.2	15.2	15.2
	Disagree	25	54.3	54.3	69.6
	Agree	11	23.9	23.9	93.5

	Strongly agree	3	6.5	6.5	100.0
	Total	46	100.0	100.0	

Source: Field Data(2018)

According to table 5.4, majority of the respondents 32(69.5) generally were in disagreement that the Committee understands the entity's business sufficiently to enable the Committee to fulfill its responsibilities under the Charter Barclays Bank Kampala Road. This implies that the Bank has some problems to improving reviewing and monitoring the effectiveness of the work in the context of its Internal control and risk Management systems and its Performance against its agreed objectives and the Audit Charter. However,14(30.4%) agreed. Therefore the Management should improve the effectiveness, independence and objectivity of the Bank.

Committee minutes are appropriately maintained and are of good quality

On the question whether the Committee minutes are appropriately maintained and are of good quality in Barclays Bank Kampala Road. Their responses were as summarized in table below.

Table 5.5: The Audit Committee minutes are appropriately maintained and are of good quality

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	5	10.9	10.9	10.9
	Disagree	11	23.9	23.9	34.8
	Neutral	12	26.1	26.1	60.9
	Agree	14	30.4	30.4	91.3
	Strongly agree	4	8.7	8.7	100.0
	Total	46	100.0	100.0	

Source: Field Data (2018)

As per the results in table 5.5 above the majority, 18(39.1%) of the respondents were cumulatively in agreement that the Audit Committee minutes are appropriately maintained and are of good quality in Barclays Bank Kampala Road. This implies that minutes of any tri-lateral meetings between the group, the External Auditors and the PRA/FCA, together with any other matters of significance arising during regular meetings with the PRA/FCA or arising with respect to returns are maintained.12 (26.1) of the respondents were neutral while 16(34.8) of the respondents in Barclays Bank Kampala Road were in disagreement.

An effective Audit Committee adds to the quality of the Audit process

The Study asked respondents whether an effective Audit Committee adds to the quality of the Audit process. The results are indicated in the table 5.6 below

Table 5.6: An effective Audit Committee adds to the quality of the Audit process

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	4	8.7	8.7	8.7
	Disagree	13	28.3	28.3	37.0
	Neutral	11	23.9	23.9	60.9
	Agree	15	32.6	32.6	93.5
	Strongly agree	3	6.5	6.5	100.0
	Total	46	100.0	100.0	

Source: Field Data(2018)

According to table 5.6, of the respondents 6.5 % strongly agreed, 32.6% agreed, 23.9 were neutral, 28.3% disagreed and 8.7% strongly disagreed with the question.

Basing on the survey, the respondents asserted that Audit Committee becomes an extension of the Board to assure that proper financial Management is in place. Committee members mentor senior staff as well as hire, evaluate, and interact with the independent Auditors and counsel. Both the Audit Committee members and Board members have the same "duty of care" (or fiduciary duty) benchmark to meet, which is to exercise the level of care "an ordinary prudent person would exercise in a like position under similar circumstances.

In connection to the above question findings revealed that a well-informed, responsible Audit Committees can provide Accountability and help instil public confidence in an organization. To ensure that the duties of Audit Committees are adequately carried out, Barclays Bank Kampala Road has established and clearly defined in writing the Audit Committee's objectives, range of authority, and responsibilities. To further ensure the most effective operation of the Audit Committee and its independent operation, the Audit Committee is composed of three to five Directors with the majority (including the Chairperson) being trustees who are not employees.

Audit review and evaluate the Banks Internal controls and Audit its financial statements in order to prevent material miss-statements.

The Study asked respondents whether through Auditing reviews and evaluates the Bank's Internal controls and Audits its (Bank's) financial statements in order to prevent material miss-statements in the Bank. The results are indicated in table 5.7 below.

Table 5.7: Auditors review and evaluate the Banks Internal controls and Audit its financial statements in order to prevent material mis-statements.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	4	8.7	8.7	8.7
	Disagree	15	32.6	32.6	41.3
	Neutral	4	8.7	8.7	50.0
	Agree	21	45.7	45.7	95.7
	Strongly agree	2	4.3	4.3	100.0
	Total	46	100.0	100.0	

Source: Field Data(2018)

According to table 5.7, majority of the respondents23(50%) were in agreement that Auditors review and evaluate the Bank's Internal controls and ensure credibility of financial statements in order to prevent material misstatements statements in Barclays Bank Kampala Road. 8.7% were neutral and 19(41.3%) were cumulatively in disagreement with the question. This implies that one of the biggest challenges for Auditors is identifying and encouraging best practices while being mindful that one size cannot fit all. From a regulatory point of view, Boards and Management should focus more on safety and soundness issues of Auditing. But governance structure is most conducive to achieving that end.

The Internal Auditor of Barclays Bank during interviews said,

"The biggest challenges for Auditors is identifying and encouraging best practices while being mindful that one size cannot fit all. From a regulatory point of view, Boards and

Management should focus more on safety and soundness issues of Auditing. But governance structure is most conducive to achieving that end". This interview was held on 17th July 2017.

Auditors are less willing to accept doubtful accounting methods and report irregularities revealed during their Audit work

On the question whether Auditors of higher quality are less willing to accept doubtful accounting methods and are more likely to report errors and irregularities revealed during the Audit work in the Bank. The responses were as indicated in the table below.

Table 5.8: Auditors of higher quality are less willing to accept doubtful accounting methods and are more likely to report errors and irregularities revealed during the Audit work in the Bank.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	12	26.1	26.1	26.1
	Disagree	2	4.3	4.3	30.4
	Neutral	11	23.9	23.9	54.3
	Agree	16	34.8	34.8	89.1
	Strongly agree	5	10.9	10.9	100.0
	Total	46	100.0	100.0	

Source: Field Data (2018)

According to table 5.8, majority of the respondents 21(45.7%) generally were in agreement that Professional Auditors are less willing to accept doubtful accounting methods and report irregularities revealed during their Audit work. This implies that the Audit Committee reviews and challenges where necessary the clarity, completeness and appropriateness of disclosure of financial statements and considers whether the disclosures made are set properly in context, including, without limitation, the going concern and viability statements to be made by the Board of the Bank and the related information presented with the financial statements (including the strategic report and Corporate Governance statements relating to the Audit). However, 4.3% of the respondents disagreed while 26.1% strongly disagreed meaning that there is some inconsistent in the Auditing work which needs to be worked on. Therefore Barclays Bank Kampala Road should put more emphasis to pursue its vision and fulfillment of its mission and objectives.

Stakeholders rely upon Auditors to provide some assurance that the financial statements of the Bank are not misleading

When asked whether the Stakeholders rely upon Auditor to provide some assurance that the financial statements of the Bank is not misleading, responses were as summarized in the table below.

Table 5.9: Stakeholders rely upon Auditors to provide some assurance that the financial statements of the Bank are not misleading.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	10	21.7	21.7	21.7
	Disagree	15	32.6	32.6	54.3
	Neutral	7	15.2	15.2	69.6
	Agree	12	26.1	26.1	95.7
	Strongly agree	2	4.3	4.3	100.0
	Total	46	100.0	100.0	

Source: Field Data (2018)

Table 5.9 above shows the majority, 25(54.3) of the respondents were in disagreement that Stakeholders rely upon Auditors to provide some assurance that the financial statements of the Bank are not misleading. This implies that Management relaxes in the areas professional Auditing practices and skills. However, 14(30.4) of the respondents were in agreement. The Auditors also review the financial results on a quarterly, semi-annual and annual basis, including any adjustments that are noted or proposed by the Auditors. Auditing Committee take into account Management's discussion and analysis following review with both Management and the Auditors before filing or issuing the interim and annual results. In addition, the AC discusses the results of the quarterly reviews.

A respondent during interviews said,

'In many cases, the regulatory gaps have already been closed, however it should be noted that particularly in this area good regulations do not ensure success. This is dependent on the integrity and competency of all the parties involved in the process (especially the persons responsible for the preparation and verification of reports, but also persons taking the decisions on the basis of those statements).

Auditing is considered to have an impact on the efficacy of the Bank's monitoring function, and hence the incidence of earnings Management

When asked whether Auditing is considered to have an impact on the efficacy of the Bank's monitoring function, and hence the incidence of earnings Management, the responses were as indicated in table 5.10.

Table 5.10: Auditing is considered to have an impact on the efficacy of the Bank's monitoring function, and hence the incidence of earnings Management

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	8	17.4	17.4	17.4
	Disagree	14	30.4	30.4	47.8
	Neutral	14	30.4	30.4	78.3
	Agree	8	17.4	17.4	95.7
	Strongly agree	2	4.3	4.3	100.0
	Total	46	100.0	100.0	

Source: Field Data (2018)

Results in table 5.10 shows that the majority, 22(47.8) of the respondents were in disagreement that Auditing is considered to have an impact on the efficacy of the Bank's monitoring function, and hence the incidence of earnings Management, 14(30.4) were neutral. This implies that Audit Committees are Designed to help Boards and Directors discharge their duties regarding reported financial information, Internal controls and Corporate codes of conduct. In many cases, the AC is also expected to assume responsibility for risk Management as well.

Testing the hypothesis

In order toestablish whether there is a relationship between Audit Committees and Performance of Barclays Bank, Kampala Road Branch, Pearson Correlation and Regression analyses were performed.

Table 5.11: The relationship between Audit Committees and Performance

		Auditing Committees	Performance
Auditing Committee	Pearson Correlation	1	.859**
	Sig. (2-tailed)		.000

	N	46	46
Performance	Pearson Correlation	.859**	1
	Sig. (2-tailed)	.000	
	N	46	46

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

Findings in table 5.11 above show the Pearson's Correlation coefficient r= 0.859 between Auditing Committees and Performance which suggests that the two variables are related. The r=0.859 between Audit Committees and Performance suggest that there is a strong positive relationship between Audit Committees and Performance. Thus an improvement in Auditing Committee work would result into improvement in Performance in Barclays Bank Kampala Road. Pearson correlation coefficient was used to test the hypothesis.

In order to establish the relationship between Auditing Committees and Performance, a simple linear regression analysis was carried out as reflected in the model summary table 5.12 below;

Table5.12: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.859[a]	.738	.732	4.489

a. Predictors: (Constant), Auditing Committee

Findings in table 5.12 above show that about 73.2% of the variation (Adjusted R2 =0.732) indicate how much of the dependent variable (Performance) can be explained by the independent variable (Auditing Committee). It implies that Performance is dependent on Auditing Committee by 73.2%, thus the remaining 26.8% is contributed by other factors beyond the scope of this Study.

In order to establish the Analysis of Variance between Auditing Committee and Performance in Barclays Bank Kampala Road, a simple linear regression was carried out and results are summarized in the ANOVA table 5.13 below;

Table5.13: ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	2494.404	1	2494.404	123.812	.000[b]

	Residual	886.454	44	20.147		
	Total	3380.858	45			

a. Dependent Variable: Performance

b. Predictors: (Constant), Auditing Committee

According to the ANOVA results in table 5.13 above shows that Auditing Committee was used as independent variable and Performance as dependent variable. As the standard error of estimates is [F (1, 46)123.812] which greatly influence Performance at Barclays Bank Kampala Road. This implies that there is astrong linear relationship between Auditing Committees and Performance at Barclays Bank Kampala Road.

In order to establish the relationship between Auditing Committees and Performance at Barclays Bank Kampala Roadstrong linear regression analysis was carried out as results summarized in the table 5.14 below:

Table 5.14: Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	18.562	1.547		11.998	.000
	Auditing Committee	6.455	.580	.859	11.127	.000

a. Dependent Variable: Performance

According to table 5.14 above shows that, β=0.859, t=11.127, P=0.000 revealed that Auditing Committees contributes significantly to Performance at Barclays Bank Kampala Road. This implies that Auditing Committee enhances Performance in the Bank.

CHAPTER SIX

ACCOUNTABILITY AND PERFORMANCE OF BARCLAYS BANK, KAMPALA ROAD BRANCH.

Introduction

This Chapter is a presentation and analysis of the Study findings on objective number two of the Study which sought to examine how Barclays Bank has established Accountability to achieve the highest standards of Performance and deliver value for its customers and clients. In order to verify this objective, a number of approaches to Data analysis were employed. These include descriptive statistics, Pearson product moment, regression analysis and analysis of variances (ANOVA).

Accountability on Performance in the Bank

To examine how Corporate Governance has established Accountability on Performance of Barclay Bank Kampala Road Branch, respondents were asked several questions. The findings, analysis and discussions are as shown below.

Risk Management and Internal control

The Directors are responsible for ensuring that Management maintains an effective system of risk Management and Internal control and for assessing its effectiveness. Such a system is designed to identify, evaluate and manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

Barclays is committed to operating within a strong system of Internal control that enables business to be transacted and risk taken without exposing itself to unacceptable potential losses or reputational damage. Barclays has an overarching framework that sets out the Group's approach to Internal governance, *The Barclays Guide*, which establishes the mechanisms and processes by which the Board directs the Bank, through setting the tone and expectations from the top, delegating its authority and assessing compliance.

A key component of The Barclays Guide is the Enterprise Risk Management Framework (ERMF). The purpose of the ERMF is to identify and set minimum requirements in respect of the main risks to achieving the Group's strategic objectives and to provide reasonable assurance that Internal controls are effective. The key elements of the Group's system of Internal control, which is aligned to the recommendations of the Committee of Sponsoring Organizations of the Tread way Commission, Internal Control – Integrated Framework (2013COSO), are set out in the risk control frameworks relating to each of the Group's Principal and Key Risks. As well as incorporating our Internal requirements, these reflect material Group-wide legal and regulatory requirements relating to Internal control and assurance (Barclays PLC Annual Report 2016).

An interview held on 17th July 2017, I confirmed from the chairman of Barclays Bank that his role is to promote the highest standards of Corporate Governance in Barclays and to ensure that this is supported by the right culture, values and behaviors from the Bank. The implementation in March 2016 of the Uganda's Senior Managers Regime introduced new regulatory standards for individual Accountability and conduct, which align closely with our established purpose, culture and values. Personal Accountability is a central tenet of our culture, enabling us to achieve the highest standards of Performance and deliver value for our customers and clients. It is also key to ensuring that trust finds its way back into Banking and therefore underpins our long-term success.

Management provides adequate information when making Accountability

On the question whether the Management provides adequate information when making Accountability, the respondents' responses were as summarized in the table below.

Table 6.1: Management provides adequate information when making Accountability

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	11	23.9	23.9	23.9
	Disagree	8	17.4	17.4	41.3
	Neutral	4	8.7	8.7	50.0
	Agree	22	47.8	47.8	97.8
	Strongly agree	1	2.2	2.2	100.0
	Total	46	100.0	100.0	

Source: Field Data(2018)

As per the results in table 6.1 above the majority, 23(50%) of the respondents were in agreement that the Management provides adequate information when making Accountability. This implies that Accountability in reporting and disclosure of information, both operational and financial, are accepted to be vital to the practice of good Corporate Governance in the Bank. However 4(8.7%) were neutral and 19(41.3%) of the respondents cumulatively disagreed. Therefore good Corporate Governance enhances a firm Performance. Corporate Governance is about building credibility and Accountability as well as maintaining an effective channel of information disclosure that would foster good Corporate Performance. It is also about how to build trust and sustain confidence among the various interest groups that make up an organisation.

The degree of participation during the Accountability process leads to compliance

The Study asked respondents whether the degree of participation during the Accountability process leads to compliance and the results are indicated in the table 6.2below:

Table 6.2: The degree of participation during the Accountability process leads to compliance

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	2	4.3	4.3	4.3
	Disagree	16	34.8	34.8	39.1
	Neutral	6	13.0	13.0	52.2
	Agree	22	47.8	47.8	100.0
	Strongly agree	0	0	0	
	Total	46	100.0	100.0	

Source: Field Data (2018)

The table above indicates that, majority of the total respondents 22(47.8%) agreed, 6(13.0%) were neutral, 16(34.8%) disagreed and 2(4.3%) strongly disagreed this implies that participation during Accountability process leads to compliance in the Bank. The Study found out that Accountability is the foundation for the other components of Internal control, which also provides discipline and structure of how the Bank is to be managed and thus promoting efficient service delivery.

The consequences of failure to perform on the side of managers are grave

The Study asked respondents whether the consequences of failure to perform on the side of managers are grave and the results are indicated in the table 6.3 below:

Table 6.3: The consequences of failure to perform on the side of managers are grave

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	2	4.3	4.3	4.3
	Disagree	8	17.4	17.4	21.7
	Neutral	12	26.1	26.1	47.8
	Agree	22	47.8	47.8	95.7
	Strongly agree	2	4.3	4.3	100.0
	Total	46	100.0	100.0	

Source: Field Data (2018)

According to the table above, 2(4.3%) strongly disagreed, 8(17.4%) disagreed, 12(26.1%) were neutral, 22(47.8%) agreed and 2(4.3%) strongly agreed. Majority (47.8%) of the respondents agreed with the statement and this implies that consequences of failure to perform on the side of managers are grave. Therefore Accountability requires openness, transparency and the provision of information. Accountability ranges more freely over time and space, focusing as much on future potential as on past accomplishment, connecting and consolidating Performance reports to plans and forecasts.

Managers defend themselves against accusations of malpractice of any kind whenever they behave in an ethical fashion inconsistent with professional standards.

The Study asked respondents whether Managers are given the opportunity to defend themselves against accusations of malpractice of any kind whenever they behave in an ethical fashion inconsistent with professional standards and the results are indicated in the table 6.4 below:

Table6.4: Managers defend themselves against accusations of malpractice whenever they behave in an ethical manner with professional standards.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	4	8.7	8.7	8.7
	Disagree	18	39.1	39.1	47.8
	Neutral	10	21.7	21.7	69.6
	Agree	14	30.4	30.4	100.0
	Strongly Agree	0	0	0	
	Total	46	100.0	100.0	

Source: Field Data(2018)

As per the results in table 6.4 above, 4(8.7%) of the respondents strongly disagreed, 10(21.7%) were neutral while 14(30.4) of the respondents agreed. Majority (39.1%) of the respondents disagreed that managers are given the opportunity to defend themselves against accusations of malpractice of any kind whenever they behave in an ethical fashion inconsistent with professional standards. This implies that Managerial competency is one of the rare, valuable, and difficult to imitate resources to enable Bank to attain superior Performance. Therefore it involves knowledge, skills, personal traits and abilities among managers.

Managerial competency and financial Performance where Corporate Governance influences Managerial competency through Corporate Management strategies that in turn influence improvement of the financial Performance

Employees strive to in Corporate the highest values into their work and aspire to do their work in the best possible way.

The Researcher asked respondents whether employees strive to in Corporate the highest values into their work and aspire to do their work in the best possible way. And the results are indicated in the table 5.4 below:

Table 6.5: Employees strive to in Corporate the highest values into their work and aspire to do their work in the best possible way.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	3	6.5	6.5	6.5
	Disagree	11	23.9	23.9	30.4
	Neutral	11	23.9	23.9	54.3
	Agree	13	28.3	28.3	82.6
	Strongly agree	8	17.4	17.4	100.0
	Total	46	100.0	100.0	

Source: Field Data 2018

According to the table above, 3(6.5%) strongly disagreed, 11(23.9%) disagreed, 11(23.9%) were neutral, 13(28.3%) agreed and 8(17.4%) strongly agreed. Majority (28.3%) of the respondents agreed with the statement that employees strive to in Corporate the highest values into their work and aspire to do their work in the best possible way and this implies that employee tasks are performed efficiently as required by the Corporate Governance principles of Barclays Bank Kampala Road. The Study found out that Management in the Bank is concerned with the correct, effective and appropriate implementation of policies and procedures which make people perform their tasks better and in turn promote good service delivery.

Documentation helps in defending one's actions and makes a person's professional actions "transparent.

The Study asked whether documentation helps in defending one's actions and makes a person's professional actions "transparent and the results are presented in the 6.6 tables below:

Table 6.6: Documentation helps in defending one's actions and makes a person's professional actions "transparent"

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	2	4.3	4.3	4.3
	Disagree	8	17.4	17.4	21.7
	Neutral	13	28.3	28.3	50.0
	Agree	20	43.5	43.5	93.5
	Strongly agree	3	6.5	6.5	100.0
	Total	46	100.0	100.0	

Source: Field Data 2018

According to the table 6.6, 2(4.3%) strongly disagree, 8(17.4%) disagreed, 13(28.3%) were neutral, 20(43.5%) agree and 3(6.5%) strongly agreed. Majority (43.5%) of the respondents agreed with the statement and this implies that documentation helps in defending one's actions and makes a person's professional actions "transparent. The Study found out that documentation is a key in ensuring quality, consistency and compliance with procedures across all the departments in the Bank and this is because transparency is integral to Corporate Governance, higher transparency reduces the information asymmetry between the Bank's Management and financial Stakeholder's. It also creates a relationship between Management, Shareholders, and the employees.

The availability of monitoring frameworks enhances Accountability

The Study asked respondents whether the availability of monitoring frameworks enhances Accountability and the results are indicated in the table 6.7 below:

Table 6.7: The availability of monitoring frameworks enhances Accountability

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	3	6.5	6.5	6.5
	Disagree	10	21.7	21.7	28.3
	Neutral	9	19.6	19.6	47.8
	Agree	19	41.3	41.3	89.1
	Strongly agree	5	10.9	10.9	100.0

	Total	46	100.0	100.0	

Source: Field Data(2018)

According to the table above, 3(6.5%) Strongly disagreed, 10(21.7%) disagreed, 9(19.6%) were neutral, 19(41.3%) agreed while 5(10.9) strongly agreed. Majority (41.3%) of the respondents agreed with the statement and this implies that monitoring framework enhances Accountability. The Study revealed that monitoring framework makes staff understand the governing regulations and making them follow as they are directed by Management.

Employees have the responsibility to be honest, disciplined and authentic

The Study asked respondents whether they have the responsibility to be honest, disciplined and authentic and the results are indicated in the table 6.8 below:

Table 6.8: Employees have the responsibility to be honest, disciplined and authentic

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	6	13.0	13.0	13.0
	Disagree	13	28.3	28.3	41.3
	Neutral	5	10.9	10.9	52.2
	Agree	18	39.1	39.1	91.3
	Strongly agree	4	8.7	8.7	100.0
	Total	46	100.0	100.0	

Source: Field Data (2018)

According to the table above, 6(13.0%) strongly disagreed, 13(28.3%) disagreed, 5(10.9%) were neutral, 18(39.1%) agreed and 4(8.7%) strongly agreed. Majority (39.1%) of the respondents agreed with the statement and this implies that Organizational Performance is generally indicated by effectiveness, efficiency, satisfaction of employees and customers, innovation, quality of products or services, and ability to maintain a unique human pool.

The Bank adheres to Accountability procedures governing the Banking sector in Uganda

The Study asked respondents whether the Bank adheres to Accountability procedures governing the Banking sector and the results are indicated in the table 6.9 below:

Table 6.9:The Bank adheres to Accountability procedures governing the Banking sector

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	1	2.2	2.2	2.2

	Disagree	8	17.4	17.4	19.6
	Neutral	15	32.6	32.6	52.2
	Agree	18	39.1	39.1	91.3
	Strongly agree	4	8.7	8.7	100.0
	Total	46	100.0	100.0	

Source: Field Data(2018)

The table above indicates that 1(2.2%) strongly disagreed, 8(17.4%) disagreed, 15(32.6%) neutral, 18(39.1%) agreed and 4(8.7%) strongly agreed. Majority (39.1%) of the respondents agreed and this implies that Bank adheres to Accountability procedures governing the Banking sector in Uganda. Therefore Barclays Bank Kampala Road has to continue improving on the Accountability principles of Corporate Governance.

The Bank Management is open in all information it disseminates to Stakeholders.

The Study asked respondents whether the Bank Management is open in all information it disseminates to Stakeholders and the results are indicated in the table 6.10 below:

Table 6.10: The Bank Management is open in all information it disseminates to Stakeholders.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	6	13.0	13.0	13.0
	Disagree	13	28.3	28.3	41.3
	Neutral	5	10.9	10.9	52.2
	Agree	18	39.1	39.1	91.3
	Strongly agree	4	8.7	8.7	100.0
	Total	46	100.0	100.0	

Source: Field Data(2018)

According to the table above, 6(13.0%) strongly disagreed, 13(28.3%) disagreed, 5(10.9%) neutral, 18(39.1%) agreed and 4(8.7%) strongly agreed. Majority (39.1%) of the respondents agreed with the statement and this implies that the Bank Management is open in all information it disseminates to Stakeholders. Therefore Management has to continue improving on the Corporate Governance principles for the Performance of the Bank.

Testing the hypothesis

In order toestablish whether there is a relationship between Accountability and Performance of Barclays Bank, Kampala Road Branch, Pearson Correlation and Regression analyses were performed.

Table 6.11: The relationship between Accountability and Performance

		Accountability	Performance
Accountability	Pearson Correlation	1	.888**
	Sig. (2-tailed)		.000
	N	46	46
Performance	Pearson Correlation	.888**	1
	Sig. (2-tailed)	.000	
	N	46	46

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

Findings in table 6.11 above show that Pearson's Correlation coefficient r= 0.888 between Accountability and Performance which suggests that the two variables are related. The r=0.888 between Accountability and Performance suggest that there is a strong positive relationship between Accountability and Performance. Thus an increase in Accountability would result into improvement in Performance in Barclays Bank Kampala Road.

Pearson correlation coefficient was used to test the hypothesis. Since $P=0.000 <,\alpha=0.01$ we reject the null hypothesis and accept the alternative hypothesis by concluding that there is a statistical linear relationship between Accountability and Performance in Barclays Bank Kampala Road.

In order to establish the relationship between Accountability and Performance, a simple linear regression analysis was carried out as reflected in the model summary table 6.12 below;

Table 6.12: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.888[a]	.788	.783	4.035

a. Predictors: (Constant), Accountability

Findings in table 6.12 above indicate about 78.3% of the variation (Adjusted R2 =0.783) indicates how much of the dependent variable, Performance can be explained by the independent variable Accountability. It implies that Performance is dependent on Accountability by 78.3% implying that the remaining 21.7% is contributed by other factors beyond the scope of this Study.

In order to establish the Analysis of Variance between Accountability and Performance in Barclays Bank Kampala Road, linear regression was carried out as results are summarised in the ANOVA table 6.13 below;

Table 6.13: ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	2664.353	1	2664.353	163.616	.000[b]
1	Residual	716.505	44	16.284		
	Total	3380.858	45			

a. Dependent Variable: Performance
b. Predictors: (Constant), Accountability

According to the ANOVA results in table 6.13 above, Accountability was used as independent variable and Performance as dependent variable. As the standard error of estimates is [F (1, 46)163.616] which greatly influence Performance in Barclays Bank Kampala Road. This implies that there is a strong linear relationship between Accountability and Performance in Barclays Bank Kampala Road Branch.

In order to establish the relationship between Accountability and Performance in Barclays Bank Kampala Road Branch hospital linear regression was carried out as results summarised in the table 6.14 below;

Table 6.14: Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	16.376	1.510		10.848	.000
	Accountability	7.045	.551	.888	12.791	.000

a. Dependent Variable: Performance

According to findings in table 6.14 above, β=0.888 t=12.791, P=0.000 revealed that Accountability contributes significantly to Performance at Barclays Bank Kampala Road Branch. This implies that Accountability enhances Performance in the Branch.

CHAPTER SEVEN

SEPARATION OF OWNERSHIP ON PERFORMANCE OF BARCLAYS BANK, KAMPALA ROAD BRANCH

Introduction

This Chapter is a presentation and analysis of the Study finding on objective number three which sought to find out how Barclays Bank has established Separation of Ownership to enhance Bank Performance. In order to verify this objective, a number of approaches to Data analysis were employed. These included descriptive statistics, Pearson product moment, regression analysis and analysis of variances (ANOVA).

Separation of Ownership in the Bank

To examine how Corporate Governance has established Separation of Ownership on Performance of Barclay Bank Kampala Road Branch, respondents were asked several questions. The findings, analysis and discussions are as shown below.

Separation of Ownership creates the need for system of independent monitoring and control

When asked whether Separation of Ownership creates the need for system of independent monitoring and control. The respondents' responses was summarised in table below.

Table 7.1: Separation of Ownership creates the need for system of independent monitoring and control

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	2	4.3	4.3	4.3
	Disagree	15	32.6	32.6	37.0
	Neutral	7	15.2	15.2	52.2
	Agree	22	47.8	47.8	100.0
	Strongly agree	0	0	0	
	Total	46	100.0	100.0	

Source: Field Data (2018)

Table 7.1 above, shows 22(47.8%) of the respondents were in agreement that Separation of Ownership creates the need for system of independent monitoring and control, 7(15.2%) were neutral while 17(36.9) disagreed meaning the Bank sometimes fails to follow good practices in Corporate Governance and lack of effective governance are among the most important Internal factors which may endanger the solvency of Barclays Bank Kampala Road. This implies that in the Bank, Corporate Governance is therefore an affair of Management and the Board, affecting how they define the objectives and goals; and how they fulfill the obligation of Accountability to Shareholders and take into account the interests of Stakeholders; apply the requirement to operate safely and to ensure a good financial situation and compliance with applicable regulations.

The Board of Directors is the first level of supervision over the activities of the Bank and its Management. The Board is ultimately responsible for the activities and results of the Bank, for the maintenance of stability and financial soundness. The powers and rules of the Board are specified in the law (Financial Institutions, Act 2004) and the statute of Banks. The core competences of the Board include: approving and overseeing the strategic objectives of the Bank and its Corporate values, determination of the scope of the obligations and liability of Management, establishment of guidelines for acceptable level of risk, overseeing the introduction of the Management system and assessment of the adequacy and effectiveness of the system of Internal controls. Therefore the Bank should perform all the tasks so that conditions concerning the Bank of the Board and its members are met.

The manager of Barclays Bank during interview said,
'Members of the Board must be able to spend enough time performing their tasks. This is to ensure that the Board (and its individual members) fulfills its tasks due. Another matter of Corporate Governance, of essential importance, is the membership of the independent persons on the Board. Barclays Bank recommends that at least two members of the supervisory Board meet the criteria of independence. Their participation in the Board has to objectify its work, to provide care to the Board as well as a balance between the interests of the dominant Shareholders and minority Shareholders'. This was during a face to face interview held on 17th July 2017.

Managerial ownership is positively associated with income-decreasing discretionary accruals and negatively associated with income-increasing accruals
When asked whether Managerial ownership is positively associated with income-decreasing discretionary accruals and negatively associated with income-increasing accruals. The responses were summarised in table below.

Table 7.2: Managerial ownership is positively associated with income-decreasing discretionary accruals and negatively associated with income-increasing accruals

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	1	2.2	2.2	2.2
	Disagree	6	13.0	13.0	15.2
	Neutral	8	17.4	17.4	32.6
	Agree	29	63.0	63.0	95.7
	Strongly agree	2	4.3	4.3	100.0
	Total	46	100.0	100.0	

Source: Field Data (2018)

According to table 7.2 above shows that 31(67.8%) of the respondents were cumulatively in agreement that Managerial ownership is positively associated with income-decreasing discretionary accruals and negatively associated with income-increasing accruals, 8(17.4%) were neutral while 7(15.4) cumulatively disagreed. This implies that the Corporate Governance of Banks is intricately tied to the Corporate Governance of firms with former enforcing discipline through proper due diligence of conduct of Corporate and their financial, while proper governance at Corporate level helps in safeguarding Bank's interests. Therefore Management should work on improving on their managerial activities and skills within the Bank.

The role of the Board of Directors do not interfere that of Shareholders

When asked whether the roles of the Board of Directors do not interfere with the role of the Shareholders. The respondents responses was summarised in table below.

Table 7.3: The Board of Directors do not interfere with the Shareholders

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	1	2.2	2.2	2.2
	Disagree	10	21.7	21.7	23.9
	Neutral	10	21.7	21.7	45.7
	Agree	23	50.0	50.0	95.7
	Strongly agree	2	4.3	4.3	100.0
	Total	46	100.0	100.0	

Source: Field Data(2018)

Findings in table 7.3 indicates that 25(54.3%) of the respondents were cumulatively in agreement that the roles of the Board of Directors do not interfere with the role of the Shareholders, 10(21.7%) were neutral while 11(23.9) cumulatively disagreed. This implies that effective risk Management is based on good Corporate Governance and rigorous Internal control. The role of the supervisory Board is more important; its task is, among others monitoring of implementation and adequacy of the operation of the system of Management and establishment of strategic objectives (including an acceptable level of risk). Therefore there is need to determine the optimal level of risk (in the context of the adopted strategy, conditions created by the environment of the Bank, current and projected financial situation and their resources, including capital and skills, the available contingency plans). It is necessary in this area to cooperate and use the work of External and Internal Auditors of the Bank and the Internal control function.

According to Barclays Bank PLC Annual Report (2016),"a risk is the inherent feature of Bank's activities; Bank Management is indeed risk Management. Proper Management of the risks incurred by the Bank provides for its survival on the market and financial success. Regulations impose standards limiting the Bank risk and requiring adequate equipment in the capital to absorb losses due to materialization of this risk"

Large Shareholders may expropriate other investors and Stakeholders by colluding with managers

When asked whether large Shareholders may expropriate other investors and Stakeholders by colluding with Management. The respondents responses was summarised in table below.

Table 7.4: Large Shareholders may expropriate other investors and Stakeholders by colluding with managers

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	5	10.9	10.9	10.9
	Disagree	23	50.0	50.0	60.9
	Neutral	8	17.4	17.4	78.3
	Agree	10	21.7	21.7	100.0
	Strongly Agree	0	0	0	
	Total	46	100.0	100.0	

Source: Field Data(2018)

Table 7.4 above indicates that 28(60.9%) of the respondents were in disagreement that Large Shareholders may expropriate other investors and Stakeholders by colluding with Management, 8(17.4%) were neutral while 10(21.7) agreed. This implies that Corporate Governance is a key issue for the improvement of economic growth and efficiency. Top level Management should consider the Corporate Governance as tool to reduce the mis-Management or misconduct in organizational processes, and for the enforcement of regulation and Management policies and decisions for the protection of the rights of stockholders & Stakeholders in banking industry. Good Corporate Governance practices are a necessity for banking sector.

Therefore the Bank should continuously reduce the Inefficiencies in Corporate Governance which are often associated with the specific structures and organizational or capital links (where the Banks are part of large conglomerates, especially where members of a group mutually own their shares). The financial dependence (for example granting loans or buying bonds) may be based on inadequate risk analysis, which consequently increases the risk for the whole group'.

There is strong pressure from Shareholders on the way the Bank should be run

When asked whether there is strong pressure from Shareholders on the way the Bank should be run. The respondents responses was summarised in table below.

Table 7.5: There is strong pressure from Shareholders on the way the Bank should be run

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	14	30.4	30.4	30.4
	Neutral	12	26.1	26.1	56.5
	Agree	20	43.5	43.5	100.0
	Total	46	100.0	100.0	

Source: Field Data (2018)

According to table 7.5 above shows 20(30.4%) of the respondents agreed that there is strong pressure from Shareholders on the way the Bank should be run, 12(26.1%) were neutral while 14(30.4) disagreed. This implies that the weak systems of Corporate Governance have emphasized the need to improve and reform of Corporate Governance at Barclays Bank Kampala Road Branch. Therefore Management has to continue improving the Corporate Governance principles.

Shareholders are involved in the taking of Management decisions

When asked whether Shareholders are involved in the taking of Management decisions. The respondents responses was summarised in the table below.

Table 7.6: Shareholders are involved in the taking of Management decisions

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	2	4.3	4.3	4.3

	Disagree	12	26.1	26.1	30.4
	Neutral	2	4.3	4.3	34.8
	Agree	27	58.7	58.7	93.5
	Strongly agree	3	6.5	6.5	100.0
	Total	46	100.0	100.0	

Source: Field Data(2018)

Findings in table 7.6 above, 30(65.2%) of the respondents were cumulatively in agreement that Shareholders are involved in the taking of Management decisions, 2(4.3%) were neutral while 14(30.4) cumulatively disagreed. This implies that effective governance is the ability and willingness of Bank Boards to challenge Management and engage in good dialogue to ensure that the Company's actions and decisions take into account the wide range of factors that could affect Stakeholders.

According to Board reputation Committee report (2016), to gain comfort that a Board is indeed capable of performing its duty to challenge and engage, one might ask, is the Board composition conducive to achieving strong governance outcomes? Does it include the right people, with appropriate levels of independence and sufficient expertise? Do Board members insist on receiving the kinds of information they need to understand the firm's risks and vulnerabilities?

Share holders engage less in the Management monitoring process and they prefer living the Management control in the hands of the managers

When asked whether Share holders engage less in the Management monitoring process and they prefer living the Management control in the hands of the managers. The respondents responses was summarised in the table below.

Table7.7: Share holders engage less in the Management monitoring process and they prefer living the Management control in the hands of the managers

		Frequency	Percent	Valid Percent	Cumulative Percent
	Strongly disagree	2	4.3	4.3	4.3
Valid	Disagree	10	21.7	21.7	26.1
	Neutral	11	23.9	23.9	50.0

	Agree	20	43.5	43.5	93.5
	Strongly agree	3	6.5	6.5	100.0
	Total	46	100.0	100.0	

Source: Field Data(2018)

According to table 7.7 above, 23(50%) of the respondents agreed that Share holders engage less in the Management monitoring process and they prefer living the Management control in the hands of the managers, 11(23.9%) were neutral while 14(26%) disagreed. This implies that Board members cannot be expected to know as much about the business as a member of Management (Directors). However, if Board members are to carry out their responsibility to challenge Management, they must have the expertise necessary to grasp the complexity of the business and thus the associated risks.

There are no conflicts between the minority Shareholders and majority Shareholders

When asked whether there are no conflicts between the minority Shareholders and majority Shareholders. The respondent responses was summarised in the table below.

Table 7.8: There are no conflicts between the minority Shareholders and majority Shareholders

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	4	8.7	8.7	8.7
	Disagree	6	13.0	13.0	21.7
	Neutral	14	30.4	30.4	52.2
	Agree	20	43.5	43.5	95.7
	Strongly agree	2	4.3	4.3	100.0
	Total	46	100.0	100.0	

Source: Field Data(2018)

Table 7.8 above, 22(47.8%) of the respondents were cumulatively in agreement that there are no conflicts between the minority Shareholders and majority Shareholders, 14(30.4%) were neutral while 10(21.7) cumulatively disagreed. This implies thatCorporate Governance is the potential conflict associated with the Separation of Ownership and control in corporations which in turn influence the Bank Performance.

There are conflicts between the managers and Shareholders on who should be the boss

When asked whether there are conflicts between the managers and Shareholders on who should be the boss. The respondents responses was summarised in the table below.

Table 7.9: There are conflicts between the managers and Shareholders on who should be the boss

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	2	4.3	4.3	4.3
	Disagree	18	39.1	39.1	43.5
	Neutral	7	15.2	15.2	58.7
	Agree	17	37.0	37.0	95.7
	Strongly agree	2	4.3	4.3	100.0
	Total	46	100.0	100.0	

Source: Field Data (2018)

According to table 7.9 above, shows 19(41.4%) of the respondents were cumulatively in agreement that there are conflicts between the managers and Shareholders on who should be the boss, 7(15.2%) were neutral while 20(43.4%) cumulatively disagreed. This implies that majority (43.4%) of the respondents disagreed meaning sound Corporate Governance should be able to help the Board of Directors and managers to achieve the best interests of the Company and Shareholders instead of being involved in fighting for power.

The Bank tracks changes in its ownership structure so that any and all voting blocks are known.

When asked whether the Bank tracks changes in its ownership structure so that any and all voting blocks are known. The respondents’ responses were summarized in the table below.

Table 7.10: The Bank tracks changes in its ownership structure so that any and all voting blocks are known.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	8	17.4	17.4	17.4
	Disagree	18	39.1	39.1	56.5
	Neutral	7	15.2	15.2	71.7
	Agree	12	26.1	26.1	97.8
	Strongly agree	1	2.2	2.2	100.0
	Total	46	100.0	100.0	

Source: Field Data(2018)

According to table 7.10 above, 13(28.3%) of the respondents were cumulatively in agreement that the Bank tracks changes in its ownership structure so that any and all voting blocks are known, 7(15.2%) were neutral while 26(56.5%) cumulatively disagreed. This implies that majority of the respondent were in disagreement of the statement.

High ownership concentration can give a trustable commitment from the controller owner with a purpose to build reputation and not to misuse the interest of minority Shareholders. In this regard, ownership concentration factor is one of the determinants in the Performance of Banks as business institutions.

Testing the hypothesis

In order to establish whether there is a relationship between Separation of Ownership and Performance of Barclays Bank, Kampala Road Branch, Pearson Correlation and Regression analyses were performed.

Table 7.11: Correlations showing the relationship between Separation of Ownership and Performance

		Separation of Ownership	Performance
Separation of Ownership	Pearson Correlation	1	.793**
	Sig. (2-tailed)		.000
	N	46	46
Performance	Pearson Correlation	.793**	1
	Sig. (2-tailed)	.000	
	N	46	46

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

From the table 7.11 above, Pearson's Correlation coefficient r= 0.793 between Separation of Ownership and Performance which suggests that the two variables are related. The r=0.793

between Separation of Ownership and Performance suggest that there is a strong positive relationship between Separation of Ownership and Performance. Thus, an increase in Separation of Ownership would result into improvement in Performance in Barclays Bank Kampala Road Branch.

Pearson correlation coefficient was used to test the hypothesis. Since P=0.000 <,α=0.01 reject the null hypothesis and accept the alternative hypothesis by concluding that there is a strong linear relationship between Separation of Ownership and Performance at Barclays Bank Kampala Road Branch.

In order to establish the relationship between Separation of Ownership and Performance, a simple linear regression analysis was carried out and reflected in the model summary table 7.12 below:

Table7.12: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.793[a]	.629	.621	5.339

a. Predictors: (Constant), Separation of Ownership

From table 7.12 above, about 62.1% of the variation (Adjusted R2 =0.621) indicates how much of the dependent variable, Performance can be explained by the independent variable Separation of Ownership. It implies that Performance is dependent on Separation of Ownership by 62.1% implying that the remaining 37.9% is contributed by other factors beyond the scope of this Study.

In order to establish the Analysis of Variance between Separation of Ownership and Performance at Barclays Bank Kampala Road Branch, linear regression was carried out as results are summarized in the ANOVA table 7.13 below;

Table 7.13: ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	2126.720	1	2126.720	74.614	.000[b]
	Residual	1254.138	44	28.503		
	Total	3380.858	45			

a. Dependent Variable: Performance

b. Predictors: (Constant), Separation of Ownership

According to the ANOVA results in the table 7.13 above, Separation of Ownership was used as independent variable and Performance as dependent variable. As the standard error of estimates is [F (1, 46)74.614] which greatly influence Performance at Barclays Bank Kampala Road Branch. This implies that there is a strong linear relationship between Separation of Ownership and Performance at Barclays Bank Kampala Road Branch.

In order to establish the relationship between Separation of Ownership and Performance at the Branch, Linear regression was carried out and results summarized in the table 7.14 below;

Table 7.14: Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	14.377	2.418		5.947	.000
	Separation of Ownership	6.380	.739	.793	8.638	.000

a. Dependent Variable: Performance

According to table 7.14 above, β=0.793 t=8.638, P=0.000 revealed that Separation of Ownership contributes significantly to Performance at the Branch. This implies that Separation of Ownership enhances Performance.

CHAPTER EIGHT

TOWARDS HARMONIZATION OF CORPORATE GOVERNANCE AND PERFORMANCE IN BARCLAYS BANK KAMPALA ROAD BRANCH

Introduction

This Chapter links the findings to literature review and suggests the way forward Corporate Governance and Performance in Barclays Bank. It presents ways and means of improving Corporate Governance and Performance in Barclays Bank Kampala Road Branch. It harmonizes the relationship between Corporate Governance and Bank Performance at Barclays Bank Kampala Road Branch. Corporate Governance has been treated as independent variable and Organisational Performance as a dependent variable. The Chapter provides the basis for recommendations in this Study.

Board Audit Committees and Performance

Financial reporting – Monitor the integrity of the Group's financial statements, interim Management statements, preliminary announcements and any other formal announcements relating to the Company's financial Performance. Audit Committee provides an oversight of the financial reporting process, the Audit process, the system of Internal controls and compliance with laws and regulations. The Audit Committee can expect to review significant accounting and reporting issues and recent professional and regulatory pronouncements to understand the potential impact on financial statements. An understanding of how Management develops Internal interim financial information is necessary to assess whether reports are complete and accurate. The Committee reviews the results of the Audit with Management and External Auditors, including matters required to be communicated to the Committee under generally accepted Auditing standards (Barclays Corporate Secretariat report July 2016).

The role of the Barclays plc and Barclays Bank plc Board Audit Committee is to review and monitor, among other things:

1. The integrity of the group's financial statements and related announcements
2. The effectiveness of the group's Internal controls
3. The effectiveness of the Internal and External Audit processes
4. The group's relationship with the External Auditors
5. The effectiveness of the group's whistle blowing procedures

According to Barclays Corporate secretariat report (21 April 2016), the Committee consists of at least three independent Non-Executive Directors, including one such Directors who is determined by the Board to be a 'financial expert' who has 'recent and relevant financial experience' as recommended. The chairman of the Committee is appointed by the Board. Membership includes at least one member of both the Board risk Committee and the Board reputation Committee.

The Committee usually meets at least five times a year with senior Management, including the group finance Directors, the chief Internal Auditor, the chief risk Officer and the group general counsel. The lead Audit partner of the External Auditors also attends each meeting.

The Chief Internal Auditor reports to both the Chairman of the Committee and the Chief Executive. The Committee is responsible for approving and reviewing the appointment of the chief Internal Auditor and reviewing the scope, nature and effectiveness of the work of Barclay's Internal Audit. The Committee periodically approves the Audit plans of the Internal Audit function.

The Committee also meets once a year specifically to review and approve the External Auditor's Audit plans for the following year and annually appraise the effectiveness of the External Auditors.

The Committee monitors all Non-Audit services carried out by the External Auditor, details of which must be recorded centrally and reported to the next meeting of the Committee in accordance with the Non-Audit services policy agreed by the Committee. The Committee at last quarterly spends time considering the independence of the External Auditor based on this information.

The Committee reviews and make recommendations, to be put to Shareholders for approval at the annual general meeting, in relation to the appointment, re-appointment and removal of External Auditors and make recommendations to the Board regarding tendering the External Audit contract from time to time as required by best practice or regulation.

The Committee also review the group's annual and interim financial statements, including reviewing the effectiveness of the group's disclosure controls and procedures and systems of Internal control and areas of judgment involved in the compilation of the group's results documentation (Barclays Bank PLC Annual Report 2016).

The contribution made by an Audit Committee refers to the assessment of the financial statements quality. On the other hand, an Audit Committee plays an important role in the communication between the Internal and the External Audit of the Company. Audit Committee is also responsible for coordinating the financial statements and External Audit process, but also for the organization of the Internal reports (Pepffer 2004)

According to Barclay's Corporate secretariat report (21 April 2016), Internal Audit maintains a quality assurance function and a continuous improvement programme that covers all aspects of Internal Audit activity and continuously monitors its effectiveness. The quality assurance and improvement programme receives oversight from the Board Audit Committee. The independent Internal Audit quality assurance team operates an annual programme of review activity to sample all Internal Audit activity. The annual quality assurance programme include: in-flight reviews of in progress Audit work, Audit file reviews sampling completed Audit work; challenge of the semiannual planning process cycle, Internal Audit team conformance testing reviews of conformance to Barclays policies and BIA processes; thematic reviews of other priority focus areas for Internal Audit; risk based reviews of high impact Internal Audit reports pre issue; and close involvement in major change activities across Internal Audit.

Internal Audit quality assurance self assesses conformance with the standards on an annual basis. This self assessment is presented to the Board Audit Committee annually. Where full compliance with the IIA standards or the IIA code of ethics is not achieved and where this impacts the overall scope of operation of Internal Audit activity, this was explicitly disclosed to the Board Audit Committee including the principle (s) or rule(s) not conformed to, reasons and impact of the Non conformance. In evaluating the Performance of Internal Audit, the Board Audit Committee considers the results of the Internal quality assurance and improvement programme. The disclosure includes: the scope and frequency of the both the Internal and External assessments, the qualifications and independence of the assessors or assessment team including potential conflicts of interest, conclusions of the assessors and corrective action plans (Barclays Corporate Secretariat report July 2016).

In addition, the Board Audit Committee obtains an independent and objective External assessment by a qualified reviewer, at least once every five years. This may take the form of periodic reviews of elements of the function, or a single review of the overall function.

The Adj. R^2 of .732 from the model summary of the regression indicated that Audit Committees contributed 73.2% to Performance of Barclays Bank Kampala Road Branch. It means that the 26.8% is contributed by other factors which influence organizational Performance of the Branch. Furthermore, there was a strong linear relationship between Audit Committees and organizational Performance of the Barclays Bank Kampala Road [F (1, 46) =123.812].

Therefore the Internal Audit should continuously assist the Board and Executive Management to protect the assets, reputation and sustainability of Barclays and to provide independent, reliable, valued, insightful and timely assurance to the Board and Executive Management over the effectiveness of governance, risk Management and control over current, systemic and evolving risks, in the context of the current and expected business environment and in accordance with the international professional practices framework and the definition of Internal Auditing leading to Corporate Governance and organizational Performance of Barclays Bank.

Accountability and Performance

Sound Corporate Governance serves to support better decision-making and Accountability throughout Barclays. The Board is responsible for setting Barclays' risk appetite, that is the risks it is prepared to take in the context of achieving Barclays' strategic objectives.

Barclays' Enterprise Risk Management Framework is designed to identify and set minimum requirements in respect of the main risks to achieving the Barclays' strategic objectives and to provide reasonable assurance that Internal controls are effective.

The Board conducts robust assessments of the principal risks facing Barclays, including those that would threaten its business model, future Performance, solvency or liquidity.

The Directorss also review the effectiveness of the Group's systems of Internal control and risk Management.

The Board has put in place processes to support the presentation to Shareholders of fair, balanced and understandable information (Barclays Bank PLC Annual Report, 2016).

Transparency of a Bank is important as it is about disclosure of information about its financial health. This is a basic condition for the functioning of effective market discipline, which is the private monitoring carried out by the purchasers of the securities issued by the Bank. Market discipline means that the entity has Stakeholders who may suffer a financial loss as a result of the decision of Management (Directors), and who can affect or are affected by Bank activities

Awio, Lawrence and Northcote (2007) posit that Accountability is concerned with giving explanations through a credible story of what happened, and a calculation and balancing of competing obligations, including moral ones. Accountability ranges more freely over time and space, focusing as much on future potential as on past accomplishment, connecting and consolidating Performance reports to plans and forecasts. BRoadbent and Laughlin (2003) contend that 'the provision of more detailed information does not automatically lead to greater Accountability'. According to Barton (2006), 'Accountability requires openness, transparency and the provision of information'.

BRoadbent and Laughlin (2003) proposed two aspects of Accountability thus, public Accountability, which involves the public as principals and is concerned with issues of democracy and trust, and managerial Accountability that is concerned with day-to-day operations of the organisation. Under managerial Accountability the provision of detailed information is not directed to being more accountable to the public but that rather, it is an attempt by the principals to control the agents (managers) and legitimize past decisions and actions. Therefore, Goddard (2005) reveal that 'greater Accountability is often presumed to provide more visibility and transparency for organisational activity, enabling appropriate organisational behaviour and ultimately'. 'It is increasingly used in political discourse and policy documents because it conveys an image of transparency and trustworthiness'. Mulgan

(2008) contends that an accounting system is a way of keeping a written record of transactions. Receipts are given for all money that is received by an organization and receipts are asked for every time money is spent. According to Core, Holthausen and Larcker (1999) an accounting system consists of business papers, records, reports and procedures that are used by an organization in recording transactions and reporting their effects. Goddard (2005) said that an accounting system, regardless of the size of the organization is Designed to collect process and report periodic financial information about the entity.

In governance, Accountability has expanded beyond the basic definition of "being called to account for one's actions". It is frequently described as an account-giving relationship between individuals, for example "A is accountable to B when A is obliged to inform B about A's (past or future) actions and decisions, to justify them, and to suffer punishment in the case of eventual misconduct". Accountability cannot exist without proper accounting practices; in other words, an absence of accounting means an absence of Accountability.

The Bank Management promotes the highest standards of Corporate Governance in Barclays and ensures that this is supported by the right culture, values and behaviours from the top down. The implementation in March 2016 of the Senior Managers introduced new regulatory standards for individual Accountability and conduct, which align closely with the established purpose, culture and values. Personal Accountability is a central tenet of our culture, enabling the Bank to achieve the highest standards of Performance and deliver value for the customers and clients. It is also key to ensuring that trust finds its way back into Banking and therefore underpins our long-term success (Barclay's Corporate secretariat report on 21 April 2016)

The Adj. R^2 of .783 from the model summary of the regression indicated that Accountability contributed 78.2% to organizational Performance of Barclays Bank Kampala Road Branch. It means that the 21.7% is contributed by other factors which influence organizational Performance of Barclays Bank Kampala Road Branch. Furthermore, there was a strong linear relationship between Accountability and organizational Performance of the Branch [F (1, 46) =163.616]. This implies that more has to be done on Accountability throughout Barclays Bank.

A comprehensive Corporate Governance framework is vital because it helps to ensure that investment in Barclays is protected, while at the same time recognizing the interests of our wider Stakeholders. Therefore Barclays Bank Kampala Road Branch should continue enforcing Corporate Governance objective policy framework for its organizational Performance.

Separation of Ownership and Performance

According to Jensen and Meckling (1976), ownership structure is described by the allocation of equity with respect to votes, capital and also by the equity owners' identity. This is referenced in their Study on how the nature of Agency costs relates with both debt and equity where they aimed at incorporating concepts into the beginnings of a Theory of Corporate ownership structure. In the recent years, there have been renewed interests on ownership structures due to the increased dynamics of Corporate ownership portfolios.

Ownership concentration and owner identity are the two largely applied scopes of ownership structure. Ownership concentration describes the concentration degree of voting rights which is evaluated by the voting right of the largest Shareholder, and also by the summation of voting rights of both the second and third largest Shareholders. Ownership concentration can also be exemplified by the divergence ratio of the largest Shareholder. Owner identity is measured by the type of the largest Shareholder; whether foreign, domestic or state owners (La Porta, et al. 2002).

The two topmost positions in an organization are that of the CEO and the Board Chairman. When a single individual occupies both positions, he is assumed to be excessively powerful, a situation which may be detrimental to the organization. According to Cadbury (2002), combined leadership structure happens when the CEO plays two different roles, firstly as the CEO and then also serves as the Board Chairman. On the other hand, when two separate individuals occupy the position of CEO and Board Chairman, then there is separate leadership (Rechner and Dalton, 1991). The distinction of the two roles of CEO and Board chair is rooted fundamentally in Agency Theory (Dalton et al. 1998).

Banks are subject to special regulations and supervision by state agencies; supervision of Banks is also exercised by the purchasers of securities issued by Banks and depositors ("market discipline", "private monitoring"). The Bankruptcy of a Bank raises social costs, which does not happen in the case of collapse of other kinds of entities; regulations and measures of safety net substantially change the behavior of owners, managers and customers of the Banks; rules can be counterproductive, leading to undesirable behaviour of Management which expose well-being of Stakeholders of the Bank (in particular the depositors and owners); between the Bank and its clients there are fiduciary relationships raising additional relationships and Agency costs. Agency problem (principal-agent) is more complex in Banks, among others due to the asymmetry of information not only between owners and managers, but also between owners, borrowers, depositors, managers, supervisors; and a number of other parties with a stake in the Bank. To sum up, depositors, Shareholders and regulators are concerned with the robustness of Corporate Governance mechanisms. The added regulatory dimension makes the analysis of Corporate Governance of opaque Banking firms more complex than in Non-financial firms (Group Corporate Secretariat report July 2003).

On phone interview held on 18th July 2017, I confirmed from a respondent from the Bank who said, in the Banking sector Corporate Governance is therefore an affair of Management and the Board, affecting how they define the objectives and goals; and how they fulfill the obligation of Accountability to Shareholders and take into account the interests of Stakeholders; apply the requirement to operate safely and to ensure a good financial situation and compliance with applicable regulations.

As managerial ownership increases their interest coincides more closely with that of outside Shareholders and hence conflicts of interest between them are moderated, reducing the Agency cost of operation since Shareholders now need to spend less on monitoring and control costs. While these arguments seem plausible, other studies have shown that managerial ownership could be counterproductive and may in fact lead to increases in Agency costs (McConnell and Servaes, 1990; Short and Keasey, 1999). It has also been suggested that there is a tendency for increased managerial ownership to give rise to Executive dominance which facilitates expropriations of Corporate wealth by way of excessive pay and investment in projects that give negative NPVs (Fama and Jensen, 1983). It also makes it easier for Management to embark on empire building and self -entrenchment (Stulz, 1988).

Inefficiencies in Corporate Governance are often associated with the specific structures and organizational or capital links (where the Banks are part of large conglomerates, especially where members of a group mutually own their shares). The financial dependence (for example granting loans or buying bonds) may be based on inadequate risk analysis, which consequently increases the risk for the whole group.

This is in line with Merchant (2001) who asserts that the stability of a Bank is influenced by the situation of the other actors of the sector; decline in confidence in one of the Banks often results in a decrease in trust in all financial institutions. Ensuring appropriate policies, processes and infrastructure of risk Management is therefore fundamental to the Bank survival. Effective risk Management is based on good Corporate Governance and rigorous Internal control. The role of the supervisory Board is more important; its task is, among others monitoring of implementation and adequacy of the operation of the system of Management (including risk Management) and the establishment of strategic objectives (including an acceptable level of risk).

The Adj. R^2 of .621 from the model summary of the regression indicated that Separation of Ownership contributed 62.1% to Performance of Barclays Bank Kampala Road. It means that the 37.9% is contributed by other factors which influence Performance of Barclays Bank Kampala Road Branch. Furthermore, there was a strong linear relationship between Separation of Ownership and Performance of the Branch [F (1, 46) =74.614].
Therefore a Separation of Ownership is believed to result in a more independent assessment of the Bank as a whole, creating the atmosphere for better Corporate Governance and Accountability (Monks and Minow, 2004).

In recommendations, the Study suggests the following;

1. The Board should improve on reviewing and monitoring the effectiveness of the work in the context of its Internal control and risk Management systems and its organisational Performance against its agreed objectives and the Audit Charter. This is done by providing assurance of effective and efficient operations, Internal financial controls and compliance with law and regulation, ensuring that Management maintains an effective risk Management and oversight process at the highest level across the Bank. Also should protect the assets, reputation and sustainability of Barclays Bank Kampala Road Branch and to provide independent, reliable, valued, insightful and timely assurance over the effectiveness of governance, risk Management and control over current, systemic and evolving risks, in the context of the current and expected business environment and in accordance with the international standards definition of Internal Auditing.
2. The Bank should strengthen Audit Committees and members should devote more time and commitment to perform their oversight functions. Appointment to the Committee should take care of technical competency of the members. The Audit Committee should be more independent and it should be obliged to report fraud and any observed Non-compliance with the Internal controls and policies. This is done through reviewing and monitoring, among the integrity of the Bank's financial statements and related

announcements, effectiveness of the Bank's Internal controls, effectiveness of the Internal and External Audit processes, the Bank's relationship with the External Auditors.

3. Bank Regulators and the Board should ensure enhanced Accountability that is transparency and disclosure for effective market discipline in accordance with professional best practices like effectiveness of the Board, separation of the position of CEO and the Chairman, appointment of the Chairman, Non-Executive Directors, professional advice, Directors' training, Directors' responsibility for the presentation of financial statements, compliance reporting, Internal control and Committee structures for Boards. Professional and regulatory bodies should promote best practice in disclosure and encourage Banks to publish more informative reports. This is done through helping to ensure appropriate conduct and drive positive outcomes for customers, clients and markets integrity.
4. The Shareholders interference with the work of Directors should be minimized as much as possible (a clear distinction between ownership and Management should be established). The stewardship of the Directors and managers should be regularly checked through engagement of Auditors. And External Auditors should be regularly rotated to ensure Objectivity. A tenure period of up to three years and may be extended by a further two additional periods of up to three years. The relationship between Shareholders and managers plays a pivotal role in the Corporate Governance. A bizarre relationship may cost the Company large profits leading to eventual collapse.
5. The Bank Audit Committees should review any Audit problems or difficulties during the course of the Audit encountered by the Auditors as a result of impaired access to Management and information. The Bank should also review the financial results on a quarterly, semi-annual and annual basis, including any adjustments that are noted or proposed by the Auditors.
6. The Bank should with immediate effect reduce the Inefficiencies in Corporate Governance which are often associated with the specific structures and organizational or capital links (where the Banks are part of large conglomerates, especially where members of a group mutually own their shares). The financial dependence may be based on inadequate risk analysis, which consequently increases the risk for the whole group'
7. Therefore Management should continuously work to improve on maintaining the Committee minutes and appropriately be of good quality.

CHAPTER NINE

SUMMARY AND CONCLUSIONS

Introduction

This Chapter presents the summary and conclusion to the Study derived from the Research after presenting, analysing, discussing the finding of the Study and also areas for future Research.

Summary of findings

This Study is about the contribution of Corporate Governance and Performance in the Banking sector in Uganda, using a case Study of Barclays Bank Kampala Road Branch. The Study used the following objectives:

1. To examine how Barclays Bank has established Board Audit Committee to oversee the Performance and effectiveness of its Internal and External Auditors.
2. To examine how Barclays Bank has established Accountability to achieve the highest standards of Performance and deliver value for its customers and clients.
3. To find out how Barclays Bank has established Separation of Ownership to enhance Performance.

A sample of 46 respondents within Barclays Bank Kampala Road Branch was used. The Study used a descriptive Research Design. Interviewing and documentary review were used as the main Data collection methods while the questionnaire and interview guide were the main Data collection instruments. Data was analysed using descriptive statistics, Pearson product moment correlation, multiple regression analysis, and analysis of variance.

Summary of findings in respect of Audit Committees and Performance of the Barclays Bank Kampala Road Branch

The results of the Study reveal that that there is a positive significant relationship between Auditing and financial Performance of Barclays Bank Kampala Road Branch. There is a constituted and responsible Audit Committee that can provides Accountability and helps to instill public confidence in the Bank. The findings are consistent with Marko (2009) who asserts that to ensure that the duties of Audit Committees are adequately executed; Barclays Bank Kampala Road Branch has established and clearly defined in writing the Audit Committee's objectives, range of authority, and responsibilities. To further ensure the most effective operation of the Audit Committee and its independent operation, the Audit Committee is composed of three to five Directors with the majority (including the Chairperson) being trustees who are not employees. Although the Audit Committee's roles may vary depending on the organization, its authorities and responsibilities include reviewing the adequacy of the Bank's Internal control structure.

The Study findings reveal that 69.5% (table 5.4) of the respondents were in disagreement that Barclays Bank Kampala Road Branch Audit Committee understands the entity's business sufficiently to enable the Committee to fulfill its responsibilities under the Charter. The Bank has to improve in reviewing and monitoring the effectiveness of the work in the context of its Internal control and risk Management systems and its Performance against its agreed objectives and the Audit Charter. Therefore the Management should improve the effectiveness, independence and objectivity of the Bank

The Study also revealed that Stakeholders don't rely upon Auditor to provide some assurance that the financial statements of the Bank are not misleading. Management of the Bank relaxes in the areas professional Auditing practices and skills, Audit Committee does not properly review Audit problems or difficulties during the course of the Audit encountered by the Auditors as a result of impaired access to Management and information, They also relax reviewing the financial results on a quarterly, semi-annual and annual basis, including any adjustments that are noted or proposed by the Auditors, Audit Committees do not regularly take into account Management's discussion and analysis following review with both Management and the Auditors before filing or issuing the interim and annual results. In addition, the AC discusses the results of the quarterly reviews.

Summary of findings in respect of Accountability and Performance of the Barclays Bank Kampala Road Branch

Basing on the interviews, findings further revealed that transparency of a Bank is openness and transparency of information about its financial health. This is a basic condition for the functioning of effective market discipline, which is the private monitoring carried out by the purchasers of the securities issued by the Bank (as well as by clients). Market discipline means that the entity has Stakeholders from the private sector, who may suffer a financial loss as a result of the decision of Management (Directors)

The findings revealed that 47.2% (table 6.4) of the respondents disagreed that managers are given the opportunity to defend themselves against accusations of malpractice of any kind whenever they behave in an ethical manner inconsistent with professional standards. It was found out that 21.7% were neutral, while 30.4 agreed, revealing that Managerial competency is one of the rare, valuable, and difficult to imitate resources to enable Bank to attain superior Performance. Therefore it involves knowledge, skills, personal traits and abilities among managers.

Summary of findings in respect of Separation of Ownership and Performance of the Barclays Bank Kampala Road Branch

Findings revealed that inefficiencies in Corporate Governance are often associated with the specific structures and organizational or capital links (where the Banks are part of large conglomerates, especially where members of a group mutually own their shares). The financial dependence (for example granting loans or buying bonds) may be based on inadequate risk analysis, which consequently increases the risk for the whole group.

This is in line with Merchant (2001) who asserts that the stability of a Bank is influenced by the situation of the other actors of the sector; decline in confidence in one of the Banks often results in a decrease in trust in all financial institutions. Ensuring appropriate policies, processes and infrastructure of risk Management is therefore fundamental to the Bank survival. Effective risk Management is based on good Corporate Governance and rigorous Internal control. The role of the supervisory Board is more important; its task is, among others monitoring of implementation and adequacy of the operation of the system of Management (including risk Management) and the establishment of strategic objectives (including an acceptable level of risk).

The Study has revealed that 28(60.9%)table 7.4of the respondents were in disagreement that Large Shareholders may expropriate other investors and Stakeholders by colluding with Management, 8(17.4%) were neutral while 10(21.7) agreed revealing that Corporate Governance is a key issue for the improvement of economic growth and efficiency. However top level Management has not considered Corporate Governance as a tool to reduce the mis-Management or misconduct in organizational processes, and for the enforcement of regulation and Management policies and decisions for protection the rights of stockholders & Stakeholders in Banking industry. The Bank lacks good Corporate Governance practices which are a necessity for banking sector.

Summary

The purpose of this section was to statistically ascertain the impact of Audit Committees on Performance in Barclays Bank Kampala Road, to show statistically how Accountability affects Performance at Barclays Bank Kampala Road Branch, and to find the influence of Separation of Ownership can statistically affects Performance at Barclays Bank Kampala Road Branch. The Research statistical Data has addressed the extent at which Audit Committees, Accountability and Separation of Ownership can affect Performance in Branch. A sample of respondents was determined at 5% level of significance for sample error using Pearson correlation. This was selected from a Population of 180 employees using simple random sampling method and purposive sampling and convenient for the purpose of questionnaire and key informants interview. The results indicated that implementation of proper Audit Committees, proper Accountability; and better well defined Separation of

Ownership in Barclays Bank Kampala Road Branch to a large extent can influence Performance positively.

Conclusions

Basing on the findings in this Study, the following conclusions are made.

Audit Committees and Performance

There is a significant strong positive relationship between Audit Committees and Performance Barclays Bank Kampala Road Branch. The well constituted and responsible Audit Committees can provide Accountability and help instill public confidence in an organization. However the Bank has to improve in reviewing and monitoring the effectiveness of the work in the context of its Internal control and risk Management systems.

Accountability and Performance

Results of the correlation analysis revealed that there is a significant strong positive relationship between Accountability and Performance. In addition, Accountability was found to be the highest predictor of Performance of Barclays Bank Kampala Road Branch. Corporate fairness, transparency and Accountability are thus the main objectives of Corporate Governance, taking into account the Corporate "democracy", which is the Road participation of Stakeholders. Therefore a positive change in Accountability, will lead to a positive change in financial Performance.

Separation of Ownership and Performance

There is a significant positive relationship between Separation of Ownership and Performance at Barclays Bank Kampala Road Branch. However, Barclays Bank Kampala Road Branch should continuously reduce the Inefficiencies in Corporate Governance which are often associated with the specific structures and organizational or capital links (where the Banks are part of large conglomerates, especially where members of a group mutually own their shares). The financial dependence (for example granting loans or buying bonds) may be based on inadequate risk analysis, which consequently increases the risk for the whole group'.

Areas for further Research

1. Apart from the Corporate Governance (Auditing, Accountability, Separation of Ownership and Performance) looked at in this Study, other Corporate Governance measures can be looked at as potential determinants of Performance in the Banking sector.
2. There is need to carry out a Study on Board of Directors effectiveness and firm Performance.
3. There is need to carry out a Study on Corporate Governance and the financial Performance of savings, credit and corporative societies.

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Appendix A: QUESTIONNAIRE

Dear respondent,

I am **Yvonne Clare Nasolo** a student of Nkumba University pursuing a degree of Master of Business Administration Nkumba University. I am carrying out Research on **Corporate Governance and Performance in the Commercial Banking Sector in Uganda: focusing on Barclays Bank Kampala Road Branch as a case Study**, as a prerequisite for the award of the masters' degree. I request you to fill the questionnaire by ticking in the blank spaces provided. The information is for academic purpose only and will be treated with utmost confidentiality.

Thank you very much for accepting to complete this questionnaire.

SECTION A: BACKGROUND INFORMATION

Please tick the appropriate option where applicable

1. Sex ☐ a. Male ☐ b. Female ☐

2. Marital status: a. Married ☐ b. Single ☐ c. Widow ☐ d. Widower ☐
   e. Divorced ☐

3. Number of Years of service in Barclays Bank Kampala Road Branch
   a) Below 5 years ☐
   b) 5-10 years ☐
   c) 10+ years ☐

4. Age group
   a) 20-30 years ☐
   b) 30 -40 years ☐
   c) 40-50 years ☐
   d) 50+ years ☐

5. Highest level of education
   a) Post graduate ☐
   b) Bachelor's Degree ☐
   c) Diploma ☐
   d) Certificate ☐

6. Level of Management

(1)Top Management ☐ (2)Middle Management ☐ (3)Supervisor ☐ (4)Officer ☐

Section B: AUDIT COMMITTEE

This section seeks to establish whether **Barclays Bank Kampala Road Branch** has an Audit Committee that has enhanced Performance. Please give your honesty opinion of 1to5 point scale where;

1. Strongly Disagree, 2.Disagree, 3 Neutral, 4 Agree, 5. Strongly Agree
   SD D N A SA

S/N	STATEMENTS	1 SD	2 D	3 N	4 A	5 SA
7	The Committee adequately understands and reviews the entity's financial reporting requirements					
8	The Committee understands and reviews Management's systems and arrangements for maintaining effective Internal controls					
9	The Committee effectively addresses its responsibilities in respect of its review and consideration of Audit plans, Audit reports and identified issues					
10	The Committee understands the entity's business sufficiently to enable the Committee to fulfill its responsibilities under the Charter					
11	Committee minutes are appropriately maintained and are of good quality					
12	Through Auditing, I review and evaluate the Internal controls and Audit their financial statements in order to prevent material mis-statements.					
13	Auditors of higher quality are less willing to accept doubtful accounting methods and are more likely to report errors and irregularities revealed during the Audit work in the Bank					
14	Stakeholders rely upon Auditor to provide some assurance that the financial statements of the Bank are not misleading.					
15	An effective Audit Committee adds to the quality of the Audit process					
16	An Auditor is considered to have an impact on the efficacy of the Bank's monitoring function, and hence the incidence of earnings Management					

Section C: ACCOUNTABILITY

This section seeks to establish whether Accountability has enhanced Performance at **Barclays Bank Kampala Road Branch**. Please give your honesty opinion on 1-18 point scale where;

1. Strongly Disagree, 2.Disagree, 3. Neither Agree nor Disagree, 4. Agree, 5. Strongly Agree

S/N	STATEMENTS	1 SD	2 D	3 N	4 A	5 SA

17	Management provides adequate information when making Accountability					
18	The degree of participation during the Accountability process leads to compliance					
19	The consequences of failure to perform on the side of managers are grave					
20	Managers are given the opportunity to defend themselves against accusations of malpractice of any kind whenever they behave in an ethical manner inconsistent with professional standards.					
21	Employees strive to in Corporate the highest values into their work and aspire to do their work in the best possible way.					
22	Documentation helps in defending one's actions and makes a person's professional actions "transparent"					
23	The availability of monitoring frameworks enhances Accountability.					
24	I have the responsibility to be honest, disciplined and authentic.					
25	The Bank adheres to Accountability procedures governing the Banking sector					
26	The Bank Management is open in all information it disseminates to Stakeholders.					

Section D: SEPARATION OF OWNERSHIP

This section seeks to establish whether Performance at **Barclays Bank Kampala Road Branch** has been enhanced through Separation of Ownership. Please give your honesty opinion of 1 to 9 point scale where;

2. Strongly Disagree, 2.Disagree, 3 Neither Agree nor Disagree, 4 Agree, 5. Strongly Agree

S/N	**STATEMENTS**	**1 SD**	**2 D**	**3 N**	**4 A**	**5 SA**
27	Separation of Ownership has created the need for system of					

	independent monitoring and control					
28	Managerial ownership is positively associated with income-decreasing discretionary accruals and negatively associated with income-increasing accruals					
29	The roles of the Board of Directors do not interfere with the role of the Shareholders					
30	Large Shareholders may expropriate other investors and Stakeholders by colluding with Management					
31	There is strong pressure from Shareholders on the way the Bank should be run					
32	Share holders are involved in the taking of Management decisions					
33	Share holders engage less in the Management monitoring process and they prefer living the Management control in the hands of the managers					
34	There are no conflicts between the minority Shareholders and majority Shareholders					
35	There are conflicts between the managers and Shareholders on who should be the boss					
36	The Bank tracks changes in its ownership structure so that any and all voting blocks are known					

Appendix B: INTERVIEW GUIDE

INTERVIEW GUIDE FOR MANAGERS AND OTHER EMPLOYEES

1. When did you join this Bank?

2. In your view, is there easy information access and disclosure at the Bank?

3. How effective has been the Audit Committee in this Bank?

4. How has the Audit Committee helped to ensure good financial Performance in this Bank?

5. Comment on the relationship between Shareholders and managers in this Bank

6. Who is the boss among the two?

7. Does the Management of the Bank encourage participation during Accountability?

8. Who takes most of the Management decisions in this Bank?

9. Is Board independence and diversity encouraged on the different Boards/Committees at the Bank?

10. Does the Management of the Bank appoint competent Board members?

11. What are some of the causes of conflicts between the managers and Shareholders in this Bank?

12. How many times does the Board meet with the employers to decide on key issues affecting the Bank?

Thank you.

Appendix C: Determining the Sample Size

TABLE FOR DETERMINING SAMPLE SIZE FROM A GIVEN POPULATION

N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	246
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	351

35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	181	1200	291	6000	361
45	40	180	118	400	196	1300	297	7000	364
50	44	190	123	420	201	1400	302	8000	367
55	48	200	127	440	205	1500	306	9000	368
60	52	210	132	460	210	1600	310	10000	373
65	56	220	136	480	214	1700	313	15000	375
70	59	230	140	500	217	1800	317	20000	377
75	63	240	144	550	225	1900	320	30000	379
80	66	250	148	600	234	2000	322	40000	380
85	70	260	152	650	242	2200	327	50000	381
90	73	270	155	700	248	2400	331	75000	382
95	76	270	159	750	256	2600	335	100000	384

Note: "N" is Population size
"S" is sample size.

Krejcie, Robert V., Morgan, Daryle W., "Determining Sample Size for Research Activities",

Educational and Psychological Measurement, 1970

Frequency Tables

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	18	39.1	39.1	39.1
	Female	28	60.9	60.9	100.0
	Total	46	100.0	100.0	

Marital status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Married	15	32.6	32.6	32.6
	Single	27	58.7	58.7	91.3
	Widow	4	8.7	8.7	100.0
	Total	46	100.0	100.0	

Years of service in Barclays Bank Kampala Road

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 5 years	15	32.6	32.6	32.6
	5 - 10 years	20	43.5	43.5	76.1
	10 years and above	11	23.9	23.9	100.0
	Total	46	100.0	100.0	

Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	20 - 30 years	20	43.5	43.5	43.5
	30 - 40 years	12	26.1	26.1	69.6
	40 - 50 years	9	19.6	19.6	89.1
	50 and above	5	10.9	10.9	100.0
	Total	46	100.0	100.0	

Respondents by highest level of education

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Post graduate	5	10.9	10.9	10.9
	Bachelors Degree	33	71.7	71.7	82.6
	Diploma	7	15.2	15.2	97.8
	Certificate	1	2.2	2.2	100.0
	Total	46	100.0	100.0	

Level of Management

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Top Management	4	8.7	8.7	8.7
	Middle Management	10	21.7	21.7	30.4
	Supervisors	9	19.6	19.6	50.0
	Officers	23	50.0	50.0	100.0
	Total	46	100.0	100.0	

Audit Committees

showing whether the Committee adequately understands and reviews the entity's financial reporting requirements

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	6	13.0	13.0	13.0
	Disagree	10	21.7	21.7	34.8
	Neutral	13	28.3	28.3	63.0
	Agree5	15	32.6	32.6	95.7
	Strongly agree	2	4.3	4.3	100.0
	Total	46	100.0	100.0	

The Committee understands and reviews Management's systems and arrangements for maintaining effective Internal controls

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	3	6.5	6.5	6.5
	Disagree	10	21.7	21.7	28.3
	Neutral	12	26.1	26.1	54.3
	Agree	14	30.4	30.4	84.8
	Strongly agree	7	15.2	15.2	100.0
	Total	46	100.0	100.0	

The Committee effectively addresses its responsibilities in respect of its review and consideration of Audit plans, Audit reports and identified issues

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	3	6.5	6.5	6.5
	Disagree	10	21.7	21.7	28.3
	Neutral	8	17.4	17.4	45.7
	Agree	11	23.9	23.9	69.6
	Strongly agree	14	30.4	30.4	100.0
	Total	46	100.0	100.0	

The Committee understands the entity's business sufficiently to enable the Committee to fulfill its responsibilities under the Charter

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	7	15.2	15.2	15.2
	Disagree	25	54.3	54.3	69.6
	Agree	11	23.9	23.9	93.5
	Strongly agree	3	6.5	6.5	100.0
	Total	46	100.0	100.0	

showing whether the Committee minutes are appropriately maintained and are of good quality

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	5	10.9	10.9	10.9
	Disagree	11	23.9	23.9	34.8
	Neutral	12	26.1	26.1	60.9
	Agree	14	30.4	30.4	91.3
	Strongly agree	4	8.7	8.7	100.0
	Total	46	100.0	100.0	

An effective Audit Committee adds to the quality of the Audit process

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	4	8.7	8.7	8.7
	Disagree	13	28.3	28.3	37.0
	Neutral	11	23.9	23.9	60.9
	Agree	15	32.6	32.6	93.5
	Strongly agree	3	6.5	6.5	100.0
	Total	46	100.0	100.0	

Review and evaluate the client Internal controls and Audit their financial statements in order to prevent material mis-statements.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	4	8.7	8.7	8.7
	Disagree	15	32.6	32.6	41.3
	Neutral	8	17.4	17.4	58.7
	Agree	17	37.0	37.0	95.7
	Strongly agree	2	4.3	4.3	100.0
	Total	46	100.0	100.0	

Auditors are less willing to accept doubtful accounting methods and report irregularities revealed during their Audit work

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	12	26.1	26.1	26.1
	Disagree	2	4.3	4.3	30.4
	Neutral	11	23.9	23.9	54.3
	Agree	16	34.8	34.8	89.1
	Strongly agree	5	10.9	10.9	100.0
	Total	46	100.0	100.0	

Stakeholders rely upon Auditor to provide some assurance that the financial statements of the Bank is not misleading

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	10	21.7	21.7	21.7
	Disagree	15	32.6	32.6	54.3
	Neutral	7	15.2	15.2	69.6
	Agree	12	26.1	26.1	95.7
	Strongly agree	2	4.3	4.3	100.0
	Total	46	100.0	100.0	

An Auditor is considered to have an impact on the efficacy of the Bank's monitoring function, and hence the incidence of earnings Management

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	8	17.4	17.4	17.4
	Disagree	14	30.4	30.4	47.8
	Neutral	14	30.4	30.4	78.3
	Agree	8	17.4	17.4	95.7
	Strongly agree	2	4.3	4.3	100.0
	Total	46	100.0	100.0	

Correlations

		AuditingCommittee1	Perfomance1
AuditingCommittee1	Pearson Correlation	1	.859**
	Sig. (2-tailed)		.000
	N	46	46
Perfomance1	Pearson Correlation	.859**	1
	Sig. (2-tailed)	.000	
	N	46	46

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

Table 5.12: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.859[a]	.738	.732	4.489

a. Predictors: (Constant), Auditing Committee

Table 4.13: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2494.404	1	2494.404	123.812	.000[b]
	Residual	886.454	44	20.147		
	Total	3380.858	45			

a. Dependent Variable: Performance

b. Predictors: (Constant), Auditing Committee

Table 4.14 Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	18.562	1.547		11.998	.000
	Auditing Committee	6.455	.580	.859	11.127	.000

c. Dependent Variable: Performance

Accountability

Management provides adequate information when making Accountability

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	11	23.9	23.9	23.9
	Disagree	8	17.4	17.4	41.3
	Neutral	8	17.4	17.4	58.7
	Agree	18	39.1	39.1	97.8

	Strongly agree	1	2.2	2.2	100.0
	Total	46	100.0	100.0	

The degree of participation during the Accountability process leads to compliance

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	2	4.3	4.3	4.3
	Disagree	16	34.8	34.8	39.1
	Neutral	6	13.0	13.0	52.2
	Agree	22	47.8	47.8	100.0
	Total	46	100.0	100.0	

The consequences of failure to perform on the side of managers are grave

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	2	4.3	4.3	4.3
	Disagree	8	17.4	17.4	21.7
	Neutral	12	26.1	26.1	47.8
	Agree	22	47.8	47.8	95.7
	Strongly agree	2	4.3	4.3	100.0
	Total	46	100.0	100.0	

Managers are given the opportunity to defend themselves against accusations of malpractice of any kind whenever they behave in an ethical fashion inconsistent with professional standards.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	4	8.7	8.7	8.7
	Disagree	18	39.1	39.1	47.8
	Neutral	10	21.7	21.7	69.6
	Agree	14	30.4	30.4	100.0
	Total	46	100.0	100.0	

Employees strive to in Corporate the highest values into their work and aspire to do their work in the best possible way.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	3	6.5	6.5	6.5
	Disagree	11	23.9	23.9	30.4
	Neutral	11	23.9	23.9	54.3
	Agree	13	28.3	28.3	82.6
	Strongly agree	8	17.4	17.4	100.0
	Total	46	100.0	100.0	

Documentation helps in defending one's actions and makes a person's professional actions "transparent"

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	2	4.3	4.3	4.3
	Disagree	8	17.4	17.4	21.7
	Neutral	13	28.3	28.3	50.0
	Agree	20	43.5	43.5	93.5
	Strongly agree	3	6.5	6.5	100.0
	Total	46	100.0	100.0	

The availability of monitoring frameworks enhances Accountability

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	3	6.5	6.5	6.5
	Disagree	10	21.7	21.7	28.3
	Neutral	9	19.6	19.6	47.8
	Agree	19	41.3	41.3	89.1
	Strongly agree	5	10.9	10.9	100.0
	Total	46	100.0	100.0	

I have the responsibility to be honest, disciplined and authentic

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	6	13.0	13.0	13.0
	Disagree	13	28.3	28.3	41.3
	Neutral	5	10.9	10.9	52.2
	Agree	18	39.1	39.1	91.3
	Strongly agree	4	8.7	8.7	100.0
	Total	46	100.0	100.0	

The Bank adheres to Accountability procedures governing the Banking sector

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	1	2.2	2.2	2.2
	Disagree	8	17.4	17.4	19.6
	Neutral	15	32.6	32.6	52.2
	Agree	18	39.1	39.1	91.3
	Strongly agree	4	8.7	8.7	100.0
	Total	46	100.0	100.0	

The Bank Management is open in all information it disseminates to Stakeholders.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	6	13.0	13.0	13.0
	Disagree	13	28.3	28.3	41.3
	Neutral	5	10.9	10.9	52.2
	Agree	18	39.1	39.1	91.3
	Strongly agree	4	8.7	8.7	100.0
	Total	46	100.0	100.0	

Correlations

		Accountability	Performance
Accountability	Pearson Correlation	1	.888**
	Sig. (2-tailed)		.000
	N	46	46
Performance	Pearson Correlation	.888**	1
	Sig. (2-tailed)	.000	
	N	46	46

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

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.888[a]	.788	.783	4.035

a. Predictors: (Constant), Accountability

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2664.353	1	2664.353	163.616	.000[b]
	Residual	716.505	44	16.284		
	Total	3380.858	45			

a. Dependent Variable: Performance
b. Predictors: (Constant), Accountability

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	16.376	1.510		10.848	.000
	Accountability	7.045	.551	.888	12.791	.000

a. Dependent Variable: Performance

Separation of Ownership

Separation creates the need for system of independent monitoring and control

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	2	4.3	4.3	4.3
	Disagree	15	32.6	32.6	37.0
	Neutral	7	15.2	15.2	52.2
	Agree	22	47.8	47.8	100.0
	Total	46	100.0	100.0	

Managerial ownership is positively associated with income-decreasing discretionary accruals and negatively associated with income-increasing accruals

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	1	2.2	2.2	2.2
	Disagree	6	13.0	13.0	15.2
	Neutral	8	17.4	17.4	32.6
	Agree	29	63.0	63.0	95.7
	Strongly agree	2	4.3	4.3	100.0
	Total	46	100.0	100.0	

The roles of the Board of Directors do not interfere with the role of the Shareholders

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	1	2.2	2.2	2.2
	Disagree	10	21.7	21.7	23.9
	Neutral	10	21.7	21.7	45.7
	Agree	23	50.0	50.0	95.7
	Strongly agree	2	4.3	4.3	100.0
	Total	46	100.0	100.0	

Shareholders may expropriate other investors and Stakeholders by colluding with Management

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	5	10.9	10.9	10.9
	Disagree	23	50.0	50.0	60.9
	Neutral	8	17.4	17.4	78.3
	Agree	10	21.7	21.7	100.0
	Total	46	100.0	100.0	

There is strong pressure from Shareholders on the way the Bank should be run

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	14	30.4	30.4	30.4
	Neutral	12	26.1	26.1	56.5

		Frequency	Percent	Valid Percent	Cumulative Percent
	Agree	20	43.5	43.5	100.0
	Total	46	100.0	100.0	

Share holders are involved in the taking of Management decisions

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	2	4.3	4.3	4.3
	Disagree	12	26.1	26.1	30.4
	Neutral	2	4.3	4.3	34.8
	Agree	27	58.7	58.7	93.5
	Strongly agree	3	6.5	6.5	100.0
	Total	46	100.0	100.0	

Share holders engage less in the Management monitoring process and they prefer living the Management control in the hands of the managers

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	2	4.3	4.3	4.3
	Disagree	10	21.7	21.7	26.1
	Neutral	11	23.9	23.9	50.0
	Agree	20	43.5	43.5	93.5
	Strongly agree	3	6.5	6.5	100.0
	Total	46	100.0	100.0	

There are no conflicts between the minority Shareholders and majority Shareholders

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	4	8.7	8.7	8.7
	Disagree	6	13.0	13.0	21.7
	Neutral	14	30.4	30.4	52.2
	Agree	20	43.5	43.5	95.7
	Strongly agree	2	4.3	4.3	100.0
	Total	46	100.0	100.0	

There are conflicts between the managers and Shareholders on who should be the boss

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	2	4.3	4.3	4.3
	Disagree	18	39.1	39.1	43.5
	Neutral	7	15.2	15.2	58.7

	Agree	17	37.0	37.0	95.7
	Strongly agree	2	4.3	4.3	100.0
	Total	46	100.0	100.0	

The Bank tracks changes in its ownership structure so that any and all voting blocks are known.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	8	17.4	17.4	17.4
	Disagree	18	39.1	39.1	56.5
	Neutral	7	15.2	15.2	71.7
	Agree	12	26.1	26.1	97.8
	Strongly agree	1	2.2	2.2	100.0
	Total	46	100.0	100.0	

Correlations

		Separation	Performance
Separation of Ownership	Pearson Correlation	1	.793**
	Sig. (2-tailed)		.000
	N	46	46
Performance	Pearson Correlation	.793**	1
	Sig. (2-tailed)	.000	
	N	46	46

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

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.793[a]	.629	.621	5.339

a. Predictors: (Constant), Separation of Ownership

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2126.720	1	2126.720	74.614	.000[b]
	Residual	1254.138	44	28.503		
	Total	3380.858	45			

a. Dependent Variable: Performance
b. Predictors: (Constant), Separation

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	14.377	2.418		5.947	.000
	Separation of Ownership	6.380	.739	.793	8.638	.000

a. Dependent Variable: Perfomance1