

Internal Control System And Asset Management In Private Oil Businesses In Uganda: A Case Study Of City Oil Company, Kiira Road Headquarters

Liban Mohamed Yusuf

Keywords: *Internal Control, Asset management, Oil businesses*

Introduction

This study was about the role of internal control systems in the management of assets in private oil businesses in Uganda. It focused on City Oil, Kiira Road.

Objectives

The study set out to achieve the following objectives;

1. to establish how City Oil Company implemented an efficient and effective internal control system of managing fixed assets,
2. to establish how City Oil Company ensured that assets were properly maintained and used,
3. to examine how City Oil Company records of fixed assets complied with accounting policies and regulations.

Methodology

The study employed a corss-sectional, case study design involving both qualitative and quantitative approaches. Data were collected from a sample of 80 respondents selected from 10 management staff, 79 ordinary employees, and 11 accounts officials using the self-administered questionnaires, an interview guide, and documentary reviews.

Key findings

1. City Oil had accounting regulations and procedures enabling it to manage its assets efficiently and effectively.
2. City Oil ensured fixed assets are properly maintained and used with proper authorisation.
3. City Oil ensured that its records of fixed assets complied with accounting policies and regulations through its Asset Policy and Procedure to ensure proper maintenance and allocation of assets.

Key recommendations:

The study recommended that petroleum/oil companies should develop mechanisms to incorporate relevant feedback from the various stakeholders into their internal control systems AASHTO. (1997). *Auditing an integrated approach (7th ed.)*. USA: Prentice-Hall.

Key references

AICPA (2012), Report of the Committee on Auditing Standards and Procedures, AICPA, New York, NY.

Albert L. Nagy, William J. Cenker (2002), An assessment of the newly defined internal audit function, *Managerial Auditing Journal*, University Press ISSN 0268-6902 17(3):130-137.