

**EFFECTS OF INTERNAL CONTROLS ON FINANCIAL PERFORMANCE OF
COMMERCIAL BANKS IN EMBU COUNTY**

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**A RESEARCH PROPOSAL SUBMITTED TO DEPARTMENT OF BUSINESS AND ECONOMICS IN
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ABSTRACT

Financial performance requires appropriate internal control measures to enhance efficiency. The main intention of the study is to investigate the effects of internal control system on financial performance of commercial banks in Embu County. The research has three objectives namely; the influence of fraud detection on financial performance of the bank, the influence of management control on financial performance of commercial bank and the influence of organization's governance on financial performance of commercial bank. The scope of the study will be limited to commercial banks located in Embu County and the population of the study will be mainly the employees of commercial banks. Internal controls have a significant impacts on Financial Performance. The study relies on both primary and secondary and secondary data. Primary data will be mainly collected using structured questionnaires while secondary data will be obtained from financial statements based on the availability and accessibility of data. Descriptive research design applied and self-administered questionnaire will be used as a data collection method. Quantitative design on the other hand will be used to generate numerical data which will be transformed into useful statistics in finding out the influence of internal controls on financial performance of commercial banks in Embu County. Quantitative methods such as telephone interviews, face-to-face interviews will be used to quantify opinions, attitudes and behaviors of the respondents. Data will be analyzed using Microsoft Excel and Statistical Package for Social Sciences (SPSS version 23.0) program. Descriptive statistics, percentage and frequency distributions will be used to analyze qualitative data. This will be used to answer research questions seeking to know the perceptions of the respondents on the influence of internal controls on financial performance of commercial banks.