

## **EFFECTS OF FINANCIAL CONTROL ON PROFITABILITY OF SAVINGS AND CREDIT COOPERATIVE SOCIETIES IN KERICHO COUNTY, KENYA**

<sup>1\*</sup> **Chebet Rabby**  
[rabbytoo88@gmail.com](mailto:rabbytoo88@gmail.com)

<sup>2\*\*</sup> **Dr. Andrew Nyang'au**  
[dranyangau@gmail.com](mailto:dranyangau@gmail.com)

<sup>3\*\*\*</sup> **Dr. Yobes Nyaboga**

<sup>1</sup> Student, Kisii University, Kenya

<sup>2,3</sup> Lecturers, School of Business and Economics, Department of Business Administration Kisii University, Kenya

---

### **Abstract**

*Profitability of Kenyan SACCOs sector constitutes a significant proportion of the country's economic growth which improve livelihood of people. Every SACCO has one general objective to achieve that is to maximize profits and minimize loses so as to meet the requirements and needs of their stakeholders. Any drop in the profits is an indication of poor performance in SACCOs and is a major concern for SACCOs. The specific and main objective of this study was to assess the effects of financial controls on profitability of SACCOs in Kericho County case of Kericho Town. The study was supported by the following specific objectives, the study determined the effect of fixed assets control on profitability of SACCOs in Kericho, and evaluate the effect of account receivables control on profitability of SACCOs in Kericho. The theories that were employed in the study are Agency theory, Theory of financial control, Contingency theory and theory of firm. Descriptive survey research design will be applied. Yaro Yamane sampling technique was applied. The study used a target population 200 staff of 4 registered SACCOs in Kericho County and a sample size of 133 respondents from Kericho Town. The four registered SACCOs that were used in the study were Ndege Chai Sacco, Kenya Highlands Sacco, Imarisha Sacco and Simba Chai Sacco. The Data collection procedure that was employed in the study were questionnaires by use of drop and pick method and structured questionnaire based on 5 Point likert-scale. The University Supervisors, other researchers and experts were consulted to examine the validity of the instrument. Pilot study will be conducted through administering questionnaires to 13 respondents which is 10% of the sample size in Bomet County. Reliability of the study was determined by using Cronbach's alpha coefficient method. Data was analyzed using percentages mean, standard deviation correlation analysis and multiple regression analysis. SPSS software was used to analyze data. Data was presented using tables and figures. The study found that the majority of the respondents agreed that with favorable credit period, a working credit department and timely approval of credits made the clients more optimistic and this led to SACCOs consistently increasing their wealth. The study concluded that there was a weak, positive but insignificant relationship between account receivables and profitability of SACCOs in Kericho County. The study recommended that SACCOs in Kericho County should take into consideration the staff welfare.*

**Keywords: Supplier management, Early Supplier Involvement, Strategic Alliances, Vendor Managed Inventory**

## **1.0 INTRODUCTION**

### **1.1 Background to the Study**

Financial control was initially introduced in professional fields in the 1920s and 1930s however; significant changes and improvements came into being in the 1950s and onwards. Beginning of 20th century in U.S, a victory in the Spanish-American War brought about an expansion of the overall economy and the scale of enterprises after the turn of the century. As per the rules, acts and orders of the Japanese stock exchange, a company will automatically be removed from the market when the largest shareholders shares exceeds or are more than 80% of the total shares. To prevent their removal from the markets, Seibu Railway forged shares held by individuals, and gave out incorrect results and information of shares held by the shareholders for them to stay in the market for a longer period hence the introduction of financial checks and controls in Japan (WeeGoh, 2009).

In Romania, more complications and problems which surrounded on tax collection and revenues usage led to the establishment of financial control. The foundation and utilization of financial resources was made to the crowned heads only on their own terms and without sharing with anybody else, with no comprehensible guidelines, instructions well spelled out. So, this time in Romanian bygone days is distinguished by unavailability of benchmarks standards or checks regulating the utilization of earnings acquired from the residence or citizens consequently, unavailability, absence or deficiency (Thomas, 2008).

In Malaysia, more complications on mosques management increased or were dynamic with time, as years goes by mosques management problems goes high. Grants and borrowings are the two major setbacks which were found out to majorly emanate from non-profit organization of finance theory. There was a dare need to abolish all instances which might lead to misappropriation and misuse of the resources obtained or acquired by the institutions and in this case it relate to the mosques. Substandard and defective constituents of management control system completely results into financial management (Rasid and Rahman, 2009).

In France, certain style of administrative organization, one that upholds control as a key and crucial to management was considered in Court. This way of doing thing things is safeguarding crucial adjustments noticed in most western countries and is distinct to New Public Management France is far much behind other countries in this realm. However, the center of attraction in France concerning financial control systems is entirely on Audit, while both financial control and internal audit are the two major concern which are considered in Court which tend to come up as hurdles (Osano, & Gekara, 2017).

In Japan, financial control led to a loss of about 1.1 billion U.S. dollars was carried out by a staff or a worker at the New York branch of Daiwa Bank, Daiwa Bank kept out of sight the affair from the responsible departments in U.S., which led in a \$340 million punishment. This was a vital infringement of bank's rules and regulations to set up financial control in Japan and it made Daiwa Bank shareholders to file charges against it. The board members of the New York branch, the supervisory Department Directors, and the public Accountants, who were responsible in running and steering the New York branch, had all disobeyed the rules and regulations to bring into being an financial control system, and hence the court ruled out that the 11 board members to pay \$775 million USD as a reimbursement. Japanese economic world improved significantly because of the judicial precedent set by this pronouncement. The economic sector saw a need to make some changes on Commercial Law, thereby requesting the political field to make changes on areas concerning the increase on director liabilities which was later amended, thereby limiting the duties of directors (Omasette Asemett , 2014)).

In Nigeria, the company's foreign partners took over the management of interest in Cadbury Nigeria Plc after managing Director and Chief Finance Officer of Was send away from work in2006 for exaggerating the profits of the company for quite some period of time (Olumbe, 2012).

In Uganda, Government of Uganda has had enormous cases of mismanagement of public funds despite the establishment and existence of ICS. Examples include: UG V ONEG OBEL,

Anti-Corruption criminal of 2010, the NSSF scandals in which hundreds of billions of shillings were lost (Kazindavs, 2011).

In Kenya, a high number of firms especially quoted companies have registered declining profitability in the recent years. Examples include Kenya Airways which reported a loss of Ksh10 billion, Mumias Sugar CompanyKsh3.4 billion loss, Uchumi Super Markets Ksh226million loss, Eveready East Africa limitedKsh248million loss, CMC Holding suspended from NSE among others, Statistics available from CMA in 2014. Kenya was ranked position 106 out of 144 due to mega corporation 4scandalsSome of the companies cited by the report for poor corporate governance were CMC and Centum Ltd (World Economic Forum,2013).

In Kenya SACCOs makes up 45% of the country's GDP and so far the sub sector has effectively deploy over Ksh 200 billion deposits and assets totaling to Ksh210 billion these huge capital should give SACCOs a foundation to take part in a dynamic environment (MCD &M 2010). Olatunji, Toyin & Adegbite, Tajudeen (2014) contend that in adequate managerial skills and knowledge has adversely affected SACCOs in Kenya.

## **1.2 Statement of Problem**

Profitability in terms of Return on Assets (ROA) of SACCOs in 2014 was 2.56% (SACCOs Supervision Annual report by SASRA 2014). However, profitability in terms of Return on Assets (ROA) in 2016 was 2.45% (SACCOs Supervision Annual report by SASRA 2016). From the statistics above there was a drop in profitability of SACCOs by 0.11%. Every Sacco has one main goal and objective that is to maximize profits and minimize losses. Any constant or decline in the profits is a bad sign of a Sacco not operating well and is a major concern for SACCOs.

Okpe (2014) argued a study on the effects of fixed asset control on profitability of local government authorities in Tanzania. The study indicated that assets reconciliations, assets verification affect profitability. Further, Nelima (2017) analyzed the effect of accounts receivable control on profitability of firms funded by Government venture capital in Kenya. The study found that Credit policy, Credit period, Credit department and overdue accounts affect profitability. Therefore the study seeks to assess the effect of financial control on Profitability of SACCOs in Kericho County.

## **1.3 Objective of the Study**

The general goal of the study was to assess the effect of financial control on Profitability of SACCOs in Kericho County. The specific objectives will be as follows:

- i. To ascertain the effect of fixed asset controls on profitability of SACCOs in Kericho County.
- ii. To Access the extent to which account receivables controls affects profitability of SACCOs in Kericho County.

## **1.4 Research Hypothesis**

Based on the above goals, the studies pursued to respond to the following questions:

H<sub>01</sub>: Fixed Assets control has no significant effect on profitability of SACCOs in Kericho County.

H<sub>02</sub>: Accounts receivable control has no significant effect on profitability of SACCOs in Kericho County.

## **2.0 Empirical Literature Review**

### **2.1 Account receivables control to profitability of SACCOs**

Ndungu (2013) analyzed the effect of accounts receivable control on profitability of firms funded by Government venture capital in Kenya. The main aim and purpose of the study was to ascertain the effects of accounts receivable controls on firms' profitability and also to analyze the regulating variable on the effect of political environment on a firm's profitability. The study targeted 24 respondents. The number of firms that the study analyzed was small hence Census study was employed. Both descriptive and inferential method of analysis was employed in analyzing the study. The study found out that there is a high correlation between accounts receivables and profitability of firms funded by government venture capital in Kenya. The study recommended that the chief executive officers in the organizations which utilize funds from government venture capital should have amice and working credit policy to improve and promote better supervisions and checks on accounts receivable thereby improving on their profitability. The study recommended that quite a number of organizations who receives funds from the government venture capital in Kenya have a good working accounts receivable control practices. It can come up with or generate benefits and profit to their stakeholders having in place a policy which guides on accounts receivable that is having the minimal or a realistically periods of repayment granted to customers.

Mundia (2016) analyzed accounts receivable control and corporate performance of companies in the food & beverage industry. The aim and purpose of the study was to establish the effects of receivables control on profitability of food and beverages manufacturing companies in Nigeria. The study employed a sample size of 5 bottling companies. The study was analyzed using generalized multiple regression. The study concluded that the research plays a big role and is paramount as it adds skills and knowhow to other researchers as the study is the first one to attempt to empirically ascertain the effect of accounts receivable control on the profitability of organizations in the food and beverage industry in Nigeria. The study recommended that accounts receivable control is the major and paramount ingredient of financial management and its precise and correct supervision and genuine and actual controls are very crucial and helpful characteristics in organizations.

#### **2.2.1 Fixed Assets control to profitability of SACCOs**

Mwakimasinde, (2016) analyzed the effects of fixed assets control on firm's profitability. The core and main objective of the study was to ascertain the effect of a company's fixed assets control on its operating profit margin. The study employed a sample size of four companies in the Nigerian brewery sector. The study was analyzed using multiple linear regressions. The study found out that fixed asset control does not have any strong and statistical impact on the profitability of brewery firms in Nigeria. The study concluded that fixed asset control does not have any strong and statistical impact on the profitability of brewery firms in Nigeria.

Toyin and Tajudeen (2014) analyzed the effects of fixed assets control on firm's profitability. The main objective of the study was to examine the effect of in fixed assets control on profitability of selected Nigerian banks. The study employed a sample size of 13 Nigerian Commercial Banks. The study was analyzed using Regression analysis technique. The study found out that fixed assets control has significant positive relationship to the performance of the sampled banks. The study concluded that fixed assets control have strong and statistical positive impact on the profitability of banking sector in Nigeria. The study recommended that there should be efficient supervision and control of fixed assets for banks to improve their profitability.

Assey (2016) conducted a study on the effects of fixed asset control on profitability of local government authorities in Tanzania. The core and main aim of the study was to investigate the effects of fixed asset control on profitability of Local Government Authorities. The study adopted a sample size of 20 local government authorities. The study concluded that department which are specifically responsible and are concern with assets custody and control should be initiated and instituted, causing misplacement of fixed assets documents and information hence confusions departmental responsibilities. The study recommends that more and further studies should be done on areas which require local government authorities to make their own decision and those that require compliance to avoid the interference of the two.

## **2.2. Accounts payables to profitability of SACCOs**

Mathenge (2016) analyzed Effects of accounts Payable as Source of Financing on Profitability of the Listed Manufacturing Firms at the Nairobi Securities Exchange. The core and main aim and objective of the study was to ascertain the effects of accounts payable on financial performance of publicly listed manufacturing companies at NSE, Kenya. The study employed a sample size of 15 Manufacturing Firms. The study recommended that the head in the financial departments and the head officers in charge of finance department of the organizations as greater and improved utilization of trade credit increases and improves the performance of organizations through increased profitability.

Kantarelis, (2007) analyzed the Effect of Accounts Payable Ratio on the Financial Performance of Food and Beverages Manufacturing Companies in Nigeria. The core and main purpose of the study was to ascertain the effect of accounts payable ratio on the financial performance of food and Beverages manufacturing firms in Nigeria. The study employed a sample size of 5 Food and Beverages Manufacturing Companies in Nigeria. The study was analyzed using multiple regression models. The study found out that accounts payable ratio had negative significant effect with the profitability ratio. The study recommended that good and favorable working relationship between the organization and those who supply the organization with goods and so as to be given a higher repayment period trade credit period. The study concluded that in effective and poor control of organization account payables will bring problems which may be disastrous to the organization.

## **3.0 RESEARCH METHODOLOGY**

The study adopted descriptive survey research design. Kothari (2004) regards a survey as an endeavor to obtain data from members of a population in order to ascertain the prevailing position of that population with respect to one or more factors.

Further studies have also shown that descriptive research is preferred while conducting research studies. Achode (2016) descriptive research gives correct information of individuals, happenings, or situation. Gathering of huge and bulk figures or information from a fairly large population is made possible and in a reasonable and cost effective (Divya, 2017).

The target population was 200 employees from four SACCOs namely Ndege chai SACCOs, simba chai SACCOs, Kenya highlands SACCOs and Imarisha SACCOs. The Employees were made up of Accountants, Finance officers, Loans Officers, Tellers, and Managers put together. Stratified sampling technique is applied where the population is divided into two or more groups or strata according to one or more common attributes.

#### 4.0 Result and Discussion

The study’s target population was 133 respondents but only 100 of them returned their questionnaires, which is a response rate of 75%. Kothari (2004) a 50% response rate is adequate, 60% good and above 70% rated very good. Based on this assertion the response rate for this study can be said to be very good at 75.

#### 4.1 Fixed asset controls

The first objective of the study sought to ascertain the effect of fixed asset controls on profitability of SACCOs in Kericho County. To achieve the objective, fixed asset control was measured using a five-point Likert. The results were analyzed using descriptive statistics which included the mean and standard deviation.

**Table 1 fixed asset controls**

	N	Minimum	Maximum	Mean	Std. Deviation
Do your SACCO give favorable credit period	90	2	5	4.32	.684
Do your SACCO have overdue accounts?	90	1	5	3.57	.900
Are credits approved always in your SACCO	90	2	5	4.07	.859
Do SACCO have a working credit department	90	1	5	4.31	.774
Do SACCO Have a credit committee in place	90	1	5	4.17	.864
Are credits approved always	90	1	5	3.96	1.005
Are Credit officers doing regular reconciliations	90	1	5	3.98	.948
Are credit errors handled professionally	90	2	5	3.88	1.015
Valid N (listwise)	90				

**Source: Field Work (2018)**

Table 1 shows that majority of the respondents agreed that their SACCO give favorable credit period and that the SACCO have a working credit department as indicated by a mean of 4.32, 4.31 and a standard deviation of .684, .774 respectively. It was also revealed that majority of the respondents agreed that their SACCO Have a credit committee in place and credits are always approved by their SACCO as indicated by a mean of 4.17, 4.07 and a standard deviation of .864,.859 respectively. Majority of the respondents agreed that Credit officers do regular reconciliations and incase of any credit errors, they are handled professionally. This was indicated by a mean of 3.98, 3.88 with a standard deviation of .948, 1.015 respectively. As to whether SACCO have overdue accounts, many respondents were indifferent to the same as indicated by a mean of 3.57 and a standard deviation of .900.This is an indicator that SACCOs consistently grew their wealth.

#### 4.2 Account receivables controls

The second objective of the study sought to ascertain the effect of account receivables controls on profitability of SACCOs in Kericho County. The findings of the components of account receivables controls were as shown in Table 2.

Table 2:Account receivables control

	N	Minimum	Maximum	Mean	Std. Deviation
Does your SACCOs has a good timely payment of debt	90	2	5	4.28	.619
Are there regular reconciliations done	90	3	5	4.10	.704
Are all the invoices approved before payments	90	2	5	4.18	.815
Is there a good working relationship between SACCO and suppliers	90	2	5	4.22	.746
Are invoice recorded on when received	90	2	5	4.32	.716
Are invoices verification done before payments	90	2	5	4.17	.915
Valid N (listwise)	90				

**Source: Field Work (2018)**

Table 2 indicates that majority of the respondents agreed that invoices are recorded on when received, verification of invoices are done before payments, are all the invoices approved before payments, SACCOs has a good timely payment of debt and there is a good working relationship between SACCO suppliers. This is indicated by the mean ( $\approx 4$ ) and standard deviation ( $\approx 1$ ). This implies that wise decisions on financing of SACCOs lead to higher profits.

The study sought to establish the relationship between financial controls (fixed assets control, account receivables on profitability. The results were presented by table 3.

**Table 3 Correlation Matrix**

	ACC.REC.CON total mean	FIX.ASS.CON averages	Return on Assets	Return on Equity
ACC.REC.CON total mean	1	.261*	.376**	.408**
	Sig. (2-tailed)	.013	.000	.000
	N	90	90	90
FIX.ASS.CON averages	Pearson Correlation .261*	1	.351**	.231*
	Sig. (2-tailed)	.013	.001	.029
	N	90	90	90
Return on Assets	Pearson Correlation .376**	.351**	1	.956**
	Sig. (2-tailed)	.000	.001	.000
	N	90	90	90
Return on Equity	Pearson Correlation .408**	.231*	.956**	1
	Sig. (2-tailed)	.000	.000	
	N	90	90	90

**Source: Field Work (2018)**

Table 4 shows that Accounts receivable control has a positive moderate association for both ROA and ROE ( $r=0.376, 408$ ) respectively, Fixed assets control has a positive, moderate association with ROA (0.351) and weak association with ROE ( $r= 0.231$ ). This therefore shows that fixed assets control, and Accounts receivable control are important determinants of profits of SACCOs.

### 4.3 Financial Control on Return on Assets

The general goal of the study was to assess the effect of financial control on Profitability of SACCOs in Kericho County. A multiple regression analysis generated the results as presented in

**Table 5: Model Summary of Financial Control on ROA**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.539 <sup>a</sup>	.290	.257	.00433

**Source: Research Data, 2018**

The Adjusted R-squared is the proportion of variance in the dependent variable which can be explained by the independent variables and from table 5, the model summary shows that the Adjusted R-squared in this study was 0.257, which means that, fixed asset control, account receivable control, account payable control and segregation of duties (independent variables), combined can explain up to 25.7% of the Profitability (Return on Assets) of SACCOs in Kericho County(dependent variable) and other factors not subject of this study cumulatively contribute to the remaining 74.3% of the Profitability of SACCOs in Kericho County.

ANOVA test was conducted to find out the level of significance on the effect of financial control on return on assets of SACCOs in Kericho County. Table 6 provides the summary of the F test.

**Table 6: ANOVA<sup>a</sup> Results**

Model		Sum of Squares	df	Mean Square F	Sig.	
1	Regression	.001	4	.000	8.680	.000 <sup>b</sup>
	Residual	.002	85	.000		
	Total	.002	89			

**Source: Research Data, 2018**

The results of the ANOVA in table 6 indicate that financial control has a significant influence on the return on assets SACCOs in Kericho County. The model  $R^2$  is therefore significantly different from zero  $F= 8.680, p<.0.05$

In order to test the appropriateness of the regression model, explaining how the outcome variable Y is caused by the predictor’s variables  $X_1, X_2, X_3$  and  $X_4$ , regression coefficient table is generated and analyzed. Table 7 represents regression coefficient results for financial control on Profitability of SACCOs in Kericho County. This agreed with Arena and Azzone (2015) who observed that enterprise risk explains profitability of a firm.



**Table 7 Coefficients Results**

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
1(Constant)	.041	.004		.257	.798
ACC.REC.CON total mean	.011	.001	.229	2.069	.042
FIX.ASS.CON averages	.007	.001	.161	1.552	.124

**Source: Research Data, 2018**

The regression coefficient table 7 shows that the constant  $\alpha=0.047$  is significantly greater than zero. The coefficients of; ACC.REC.CON  $\beta = 0.011$ , FIX.ASS.CON  $\beta =0.007$ , is significantly different from zero. However, in order to use the predictor variables to predict the outcome in performance, the standardized coefficients of ACC.REC.CON ( $X_1$ ), FIX.ASS.CON ( $X_2$ ) are used. The standardized coefficients are used to build the linear regression equation since we used the adjusted R squared to explain the model. This means that a unit increase in the independent variable, yielded .229, 0.161, 0.093 and 0.285 in the dependent variable. A multiple regression analysis was formulated to determine the relationship of variables. The regression equation ( $Y = \beta_0 + \beta_1X_1 + \beta_2X_2$ ). Therefore, the proposed regression model will be:

$$Y = 0.041 + 0.229X_1 + 0.161X_2$$

**5.0 SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATION**

**5.1 Summary of Findings**

The study addressed the following specific objectives to; ascertain the effect of fixed asset controls on profitability of SACCOs in Kericho County access the extent to which account receivables controls affects profitability of SACCOs in Kericho County.

The first objective was to; ascertain the effect of fixed asset controls on profitability of SACCOs in Kericho County. The findings indicated that the majority of the respondents agreed that with favorable credit period, a working credit department and timely approval of credits made the clients more optimistic and this led to SACCOs consistently increasing their wealth.

Additionally, the beta coefficient of fixed assets control obtained from that fixed asset controls had statistical significant influence on profitability. This clearly demonstrates that SACCOs has employed fixed assets as a strategy to acquire, dispose and maintain proper internal controls.

The second objective sought to access the extent to which account receivables controls affects profitability of SACCOs in Kericho County. It was observed that timely payment of debt and a good working relationship between the SACCO and its suppliers contributed to the SACCOs steady growth. With proper recording of received invoices and counterchecking them before payments are made implies that wise decisions in the SACCOs lead to higher profits. From the multiple simple regression analysis that account receivables had a statistical insignificant influence on profitability at  $\beta=0.148$  and  $t=1.699$ ;  $p>0.05$ . The results further revealed that accounts receivables explained only 2.1 percent of profitability.

## 5.2 Conclusion

The researcher sought to establish the effect of fixed assets on profitability of SACCOs in Kericho County. The study established that there was a moderate, positive and significant relationship between fixed assets and profitability of SACCOs in Kericho County. Fixed assets contributed ( $t=1.552, -0.074$ ) to the profitability, thus the study concludes that fixed assets positively affect the performance of SACCOs in Kericho County.

The researcher sought to establish the extent to which account receivables controls affects profitability of SACCOs in Kericho County. The study established that there was a weak, positive but insignificant relationship between account receivables and profitability of SACCOs in Kericho County. Account receivables contributed  $t=2.069, 2.344$  to the profits, thus the study concludes that account receivables positively affect the profitability of SACCOs in Kericho County but with little significance.

## 5.3 Recommendations

The study made recommendations which are considered important to guide other readers and policy-makers.

The SACCOs in Kericho county need to create clear fixed assets control policies in order to attract customers into accessing more credit. Given that the study has established a positive correlation between fixed assets and profitability, it is important for the SACCO to employ ways in which they engage its customers by giving them a favorable credit period, quick credit approvals and also having an efficient credit working department. The study further recommends that the SACCOs should make its Products more attractive so as to encourage low scale earners to join the Sacco in order to increase its customer base and improve its revenue.

The study recommends that SACCOs in Kericho County should have clear assets acquisition procedures and policy so as to protect the SACCOs assets. Assets should also be in custody under competent and trusted personnel so as to avoid impropriety. The researcher further recommends that with a clear asset disposal policy, the SACCOs will be able to manage its assets properly.

The study recommends that a proper recording, verification and payment of invoices be done so as to create a good working relationship with its suppliers. This will make a healthy business growth.

## References

- Achode A.B (2016) *Effects of accounts Payable as Source of Financing on Performance of Listed Manufacturing Firms at the Nairobi Securities Exchange. International Journal of Research Studies in Agricultural Sciences (IJRSAS).2(4):24-32*
- Arena and Azzone (2015) *Enterprise risk Management and Internal audit as Retrieved in February, retrieved from [www.osc.ny.us/audit/control/standards.htm](http://www.osc.ny.us/audit/control/standards.htm).*
- Divya Jindal & Simran Jain (2017) *Effect of Receivables Management on Profitability: A Study of Commercial Vehicle Industry in India. International Journal of Applied Sciences and Management. 2(2) :246-255.*
- Duru A.N & Ekwe C M (2014) *accounts receivable management and corporate performance of companies in the food & beverage industry: evidence from Nigeria. European journal of accounting auditing and finance research 2(10): 34-47*
- Kantarelis, D. (2007). *Theories of the Firm, Kenya Financial Sector Stability Report, 2010.*

- Kothari C. R (2004), Research Methodology: Methods and Techniques, Second Revised Edition. New Age International (p) limited, Publishers. Mumbai, India.*
- Mathenge K.M (2016) Effect of account receivables management on the profitability of manufacturing firms listed in the Nairobi securities exchange. University of Nairobi.*
- Mundia M.W (2016) financial factors affecting performance of deposit taking savings and credit co-operative societies in Kenya, case of Kiambu County.*
- Mwakimasinde .M and Odhiambo (2016). The Effects of Internal Control Systems on Profitability of Sugarcane outgrower companies in Kenya.*
- Ndungu Nancy Tanker (2013) Strategies to Prevent Shoplifting and Employee Theft. University of Florida Department of Criminology, Law and Society*
- Nelima L.M (2017) relationship between accounts receivable management practices and growth of small and medium enterprises in Kakamega County, Kenya Jomo Kenyatta University of Agriculture and Technology*
- Okpe Innocent Ikechukwu (2014). Management of Accounts Payable on the Financial Performance of Industrial/ Domestic Manufacturing Companies in Nigeria. Journal Of Humanities And Social Science (IOSR-JHSS). 27(7): 54-61*
- Olatunji, Toyin & Adegbite, Tajudeen (2014) Investment in Fixed Assets and Firm Profitability. Asian Journal of Social Sciences and Management Studies. 1(3):78-82*
- Olumbe, C. O. (2012). The relationship between internal controls and corporate Governance in commercial banks in Kenya, Unpublished thesis, University of Nairobi practitioner researchers. Oxford. Blackwell, 2 (ed).*
- Omasete Asemett. C (2014) effect of risk management and financial control in insurance companies in Kenya, project research University of Nairobi.*
- Osano, k. l., & Gekara, M. (2017) Effect of government regulations on profitability of commercial banks in Kenya. The strategic journal of business and change management.5(1):916-945*
- Rasid and Rahman, (2009) Real world research: A resource for social scientists and practitioner researchers. Oxford. Blackwell, 2 (ed).*
- Toyin and Tajudeen (2014) Research methods for business students. London: Prentice Hall, 4 (ed).*
- Thomas N. H. (2008). "Firm boundaries (empirical studies)," The New Palgrave Dictionary of Dictionary of Economics, 2 (ed).*
- WeeGoh, B. (2009). Audit committees, board of directors, and remediation of material weaknesses in internal control. Contemporary Accounting Research, 26 (2): 549-579.*