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Board Assurance and Financial Performance of Selected Saccos in Kiruhura District, Uganda

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ABSTRACT: Board assurance is the term used to describe the board's degree of trust in the organization's capacity for efficient risk management. Among SACCOs in Uganda, board assurance and financial performance are important ideas. The financial sector in Uganda has been characterized by investor activity, hostile takeovers, poor corporate governance, weak boards of directors, and protection of minority shareholders. Several banks and other financial institutions have failed to operate despite Bank Uganda's multiple interventions, necessitating regulatory action to maintain the stability of the financial system. This study's goal was to examine how board assurance affected the financial performance of a subset of SACCOs in Uganda's Kiruhura District. This study used both quantitative and qualitative research methods, utilizing a cross-sectional survey research design. At a 95% confidence level or 0.05 error rate, a population of 342 individuals was used. The sample size consisted of 184 respondents, staff members, and members of the six SACCOs that were registered in the Kiruhura area of Uganda as of January 2023. There were two stages to the data collection for analysis. First, SPSS version 20.0 was used to conduct the preliminary data analysis and descriptive statistics on the respondents.In the second phase, structural equation modeling (SEM) was used to evaluate and investigate the structural relationships between the variables in the proposed conceptual model. These statistics included multicollinearity, mean and standard deviation, outliers and extreme values, and missing data. SEM was implemented using Jaffrey's Amazing Statistical Program (JASP) version 0.17.2.0. The study's conclusion supported Ha1 by showing that board assurance (BoA) (=0.343**) significantly improved the financial management of savings and credit co-operative societies (SACCOs) in Uganda. According to the study's findings, SACCO would perform better financially the more its board took responsibility for the company's decisions and told stakeholders about them. The study recommends that; board of directors should be more effective in ensuring that they communicate the decisions clearly and appropriately so that SACCO's maximize shareholders wealth.

KEY WORDS: Corporate Governance, Board assurance, Financial Performance, Kiruhura District, Uganda

1. INTRODUCTION

Board assurance refers to a strategy that leverages all available sources of assurance. Ideally, all assurance methods and their effectiveness should be known to the Audit Committee and senior management.Like other parts of the world, Uganda has embraced corporate governance in the public and private sectors, putting formal corporate governance systems in place with high hopes for better performance (Mukyala et al., 2020). In fact, Marus et al. (2021) show that successful corporate governance in Uganda has contributed to the success of certain enterprises. Furthermore, corporate governance and business performance in Uganda have a strong positive correlation, according to Kibukamusoke and Ssewankambo (2019). However, Muhanguzi et al. (2019) contended that the corporate governance legislation has to be strengthened because it has a flaw that negatively affects Ugandan companies' performance. Furthermore, Kaawaase et al. (2021) assert that Uganda's corporate governance system developed slowly because of the country's socioeconomic and cultural context.

The capacity of SACCOs to respond faster to shocks from the inside as well as the outside has been associated with strong governance structures. The assertion by Arayssi et al. (2019) that corporate governance generally influences financial performance was supported by this reasoning.Thus, the relationship between corporate governance and business performance

in the financial industry is a topic of intense discussion both domestically and globally. After attempting to identify the components of excellent corporate governance in Sub-Saharan Africa, Ene et al. (2016) came to the conclusion that the implementation of appropriate corporate governance frameworks may protect the company from future financial difficulty. Furthermore, according to Esokomi and Mutua (2018), effective governance practices are necessary to lower investor risk, assign members responsibilities, provide transparency, draw in investment money, and enhance SACCOs' financial success.In order to give management direction, authority, and oversights regarding how to strike a balance between their own interests and those of the shareholders and other stakeholders, the board of directors and its related committees act on behalf of and in the best interests of the SACCO's shareholders and other stakeholders. This process is known as corporate governance, according to Rwakihembo et al. (2020).

Corporate governance is a system of rules that influences how a corporation conducts business and creates a link between stakeholders, management, and the board of directors. The connection between shareholders and management, which is a key component in definitions of corporate governance, directs and controls the management of a SACCO. Therefore, the operating system that management uses to run a SACCO that the shareholders have granted them can be considered as corporate governance. To effectively achieve its objectives, a SACCO usually follows a set of guiding principles in its activities.

According to Sora et al. (2023), financial performance can be assessed using metrics such as profitability, liquidity, solvency, financial efficiency, and ability to repay debt. The arbitrary measure of how well a business uses resources from its main business model to generate revenue is called financial performance. Numerous methods can be employed to assess a company's financial success.The loan portfolio, liquidity, and return on assets were chosen for the study. A SACCO's total earning capacity or profitability is measured by its return on assets (Akinyi and Oima, 2019). This ratio is computed by dividing net income by average assets. The usage of ROA assessment demonstrates the SACCO's ability to use its resources effectively, which may be indicated by having a high return.

Over 70% of the SACCOs operating in the Kiruhura District are expected to close if the financial performance is not improved in terms of managing SACCO risks, ensuring board assurance, and enforcing accountability by the board management, according to the Kiruhura District Commercial Officer Report (2020). The District Commercial Officer has collaborated with the Uganda Association of Microfinance Institutions and the Uganda Microfinance Support Center to teach board members in risk management, board assurance, and proper SACCO accountability in an effort to enhance financial performance. In spite of this, the loan portfolio has remained small, returns on assets have remained low, and liquidity is also decreasing. This study intended to examine whether financial performance and government policies contribute to poor corporate governance, hence the study would be helpful to SACCOs in Kiruhura District through contributing towards bridging the gap and achievement of SACCO objectives.

The purpose of this study was to investigate the effect of Board assurance on financial performance of SACCOs in Kiruhura District, Uganda and the study will be guided the following hypothesis;

H_o: Board assurance does not significantly affect financial performance of selected SACCOS in Kiruhura District.

2. LITERATURE REVIEW

2.1.Board assurance and financial performance of SACCOs

Alshehhi et al. (2018) conducted a study in Indonesia to find out how members of an organization felt about the assurance from management. The variables that were looked at included the significance of management performance and management performance satisfaction levels. As a percentage, the study's sample came from an organizational setting. The study made use of information from questionnaires and in-person interviews with respondents. Importance Performance Analysis (IPA) was used in the study to measure perceptions, and SPSS 22.00 syntax was used to evaluate the validity, reliability, and analysis of research data. The study's findings were helpful in illuminating the key variables influencing organizational members' happiness and interests in relation to the board's performance, which can help the organization's vision and goal be better realized. However, the impact of board assurance on SACCO financial performance and its role in ensuring the financial sustainability of SACCOs were not covered by the researchers. There is a void whereby activities such as sitting on committees, attending board meetings, and making use of information could encourage SACCO members to be self-assured and dedicated to saving and borrowing in order for the SACCO to run smoothly. In order to improve the financial performance of SACCOs, this study will identify strategies to incorporate the elements of board assurance into corporate governance.

Research on the possible effects of board assurance on the relationship between corporate governance and the financial performance of SACCOs in Malaysia was done by Ballou et al. (2018). In order to assess financial performance, the study looked at market to book value, net profit margin, return on equity, and return on assets. Data from the top 500 Malaysian companies

listed between 2013 and 2014 were used in the study. The study's findings demonstrated the importance of the board's moral confidence in enhancing the relationship between corporate governance and business performance.
The scholars did not, however, address how the ethics of the board can motivate SACCO members to raise their borrowing and savings in order to improve the SACCO's financial standing. This study will critically ascertain ideas for how the board assurance component, such as attendance at board meetings, committee participation, and information utilization, might be taken into consideration in order to improve the financial performance of SACCOs worldwide.

2.2. Board meetings attendance and financial performance

Board activity is one factor related to the internal organization of the board. The quantity of board meetings is one approach to gauge board activity. Determining if the board of directors is an active or passive board may be aided by the frequency of meetings. Board meetings should occur often enough to enable the board to receive ongoing updates on the state of the company (Alabdullah, 2023). The frequency of board meetings can provide insight into the importance attached to them, as more meetings mean more information is shared with the public and more matters for the board to decide. The most common setting for discussion and idea sharing to keep an eye on managers is during meetings (Boshnak, 2023). According to this perspective, the wealth of shareholders increases with the frequency of meetings and the level of managerial supervision. According to Aernan et al. (2023), performance is favorably correlated with meeting frequency. If the board is not given the chance to do so, it is not reasonable to expect them to keep an eye on the company's performance (Ezeani et al., 2023).

Board members need to dedicate enough time to comprehend, talk about, and consider important and relevant topics related to a company's performance in order to serve on the board with effectiveness. The yearly number of board meetings is purposefully used as a crucial indication to demonstrate the activity and involvement of the board and to demonstrate that board meetings are necessary for the necessary supervision, control, and monitoring of the company (Gantyowati and Fitria, 2023). Members of more engaged boards are more likely to act in the best interests of shareholders since they attend more board meetings. Board meetings give members the chance to talk about, advise, and make decisions regarding important matters that the management of a company must handle in order to improve performance (Anyigbah et al., 2023).

Attending board meetings also gives members the chance to evaluate prompt management reports, which helps to improve a company's financial performance and operational performance. The quantity of meetings indicates how frequently the management and the board exchange information over a given time frame. According to Eluyela et al. (2018), it is a useful tool for bringing board members' and management's perspectives into harmony in order to accomplish organizational objectives.
Empirical data was presented by Jatana (2023) to support the notion that board meetings improve financial success. Sethi et al. (2023), for example, suggested that higher meeting frequency is favorably correlated with company performance.

In addition, Fariha *et al.*, (2022) studied the link between corporate governance and the growth of the small business service firms in India. They found that the growth of small business service firms in India is positively associated with the number of board meetings.

2.3. Participation in committees and financial performance

Management is motivated to perform its responsibilities by the decisions taken by the board members in their various committees. Every organization must regularly make decisions. The caliber of those decisions rests on the caliber of the supporting data that forms the basis for board committee decisions. This is essential to for the organization to function financially. An organization's financial performance is improved when its board members participate in several committees (Abdulrahman, 2016). Because it allows members to more effectively execute governance's control mechanisms, active engagement is crucial. Second, active involvement gives one a competitive edge over businesses, making it an invaluable addition to member-customer involvement. Thirdly, it streamlines the procedure, which may result in modifications to the cooperative that benefit its members and therefore strengthen their dedication and devotion.

However, participation problems are a recurring problem for the cooperative movement. The free rider problem is one of the crucial concerns that has drawn the interest of numerous academics. A member who is merely interested in the advantages of the cooperative and is not actively involved in its management or operations is known as a free rider. This attitude is sometimes referred to as apathy. Free riders are members of the BOD team who fail to fulfill their proper tasks and obligations.

A company's or organization's financial performance can be used as a planning tool to evaluate how successfully it uses its resources to generate revenue. A SACCO's financial performance indicates how well it creates value for the deposits and share capital of its members. A variety of financial measures, including as ROA, ROE, earnings per share, and profit after tax, can be used to evaluate the financial performance of SACCO. According to Zahid & Shad (2021), businesses and organizations should

carefully consider the financial effects of their decisions before pursuing a takeover, merger, or acquisition. Greater demands, such as higher employee pay, larger dividend payments, potential company buyout plans, mergers, and business expansion or diversification, are indicative of financial success.Though it isn't mentioned clearly above, board members are in charge of assessing SACCOs' financial performance. Since the stakeholders trust the board to oversee SACCO operations and make financial performance decisions, the goal of this study was to ascertain how the board should contribute to this vital cause.
The financial performance of a SACCO over a certain time period can be ascertained by utilizing key financial ratios. The last three to five years are acceptable options for the time period. Ratios can be compared on an annual basis to assess growth and performance. When comparing two or more data items over a certain time period, these ratios are usually shown as percentages (Brennan et al., 2019).

These ratios show how well the SACCOS are able to generate income or revenues from their available assets, hence it is imperative that they are carefully evaluated. When deciding which policies and strategies to change in order to improve organizational sustainability, management of a firm follows its financial performance as a reference (Chedrawi & Howayeck, 2018 & Patience et,al, 2022). But there was a knowledge gap: the board members were unable to calculate rations and allocate them among the SACCO members in an accurate manner.

3. METHODS USED

3.1. Research design

A structured framework for data collection and analysis is known as a study design (Creswell et al., 2017). It is a comprehensive strategy that details the methods and procedures for gathering and evaluating data (Cash, 2016; Agaba *et al.*, 2023). A cross-sectional survey research design using both quantitative and qualitative methods was used in this study. While the qualitative technique provided the researcher with detailed explanations of the factors influencing the financial performance of SACCOs in Kiruhura District, the quantitative approach aimed to quantify and establish the links. The design was appropriate for this inquiry since it compares the performance of several SACCOs at a certain point in time. The researcher was able to generate data by using this research methodology that might be utilized to characterize or profile the study's subject. While the qualitative technique assisted the researcher in obtaining detailed explanations of the impact of corporate governance on financial performance in Kiruhura District, the quantitative strategy attempted to quantify and establish the links. The type and volume of data collection techniques, sample plans, and funding allocation were all influenced by the choice of an appropriate study design (Bloomfield and Fisher, 2019).The purpose of the study was to test the hypotheses that came from the conceptual model using the guidelines for research design provided by DePoy et al. (2019). Since hypothesis testing usually shed light on the nature of certain interactions between variables, they made it easy to comprehend the structural links between the observed variables and their latent equivalents. Causal studies, or field studies, were preferred over correlational studies in order to explain the variables related to the research objectives and explore the observable relationships between the primary determinants of corporate governance and a set of manifest variables that demonstrate financial performance. This study, like many others employing a regression method of assessment, was carried out in an unplanned setting. There was no researcher intervention in this study because the survey-based data gathering approach was utilized. Additionally, it was clear from the research's goals and objectives that the unit of analysis is a single member of a sample SACCO in the Kiruhura District. This study used a cross-sectional survey research design because structural equation modeling (SEM) requires a reasonably large number of respondents, and data may be collected once and over a set period of time.

3.2. Study population

Study population refers to the entire set of instances from which the sample is drawn and from which the researcher hopes to draw conclusions in general (Saunders *et al*, 2016). The number of SACCOs in Kiruhura district are 10 in total as of district commercial officer report Kiruhura District (2021), however only active and registered 6 SACCOs namely; Kashongi, SACCO, Kitura SACCO, Rushere SACCO, North Ankole Platinum SACCO, Kiruhura Epicenter SACCO, and Rwanyangwe SACCO was the focus of this study. The six SACCOs in Kiruhura district's staff and members made up the target population totaling to 342, specifically Shareholders, Board members, Advisory committees, Supervisory committees, Managers, Loans officers, Internal Auditors, Accountants, and Banking officers. All these categories of people that was involved in the study are important stakeholders in the SACCO operations.

3.3. Sample size

A total of three hundred forty-two (N = 342) people were considered for the study. Tora Yamane (1967) formula was employed to determine the sample size as illustrated.

$$n = \frac{N}{1+N(\varepsilon^2)} n = \frac{N}{1+N(\varepsilon^2)}$$

Where n denotes the sample size, N is the total population, and ε is the precision level (margin of error). A total population of 342 people were used at a confidence level of 95% or error of 0.05 and the sample size, ��� being;

��� = 342/ 1 + 342(0.05)^2 =184

Therefore, out of the total population of 342, 184 respondents were sampled.

Table 3.1 Sample size determination

Respondent	Target population	Sample Size	Sampling Techniques
Shareholders	216	113	Simple random sampling
Board Members	54	31	Purposive sampling
Supervisory Committee	18	10	Purposive sampling
Advisory Committee	18	10	Purposive sampling
Managers	6	3	Purposive sampling
Loans Officers	6	3	Purposive sampling
Internal Auditors	6	3	Purposive sampling
Accountants	6	3	Purposive sampling
Banking Officers	12	8	Purposive sampling
Total	**342**	**184**	Purposive sampling

Source: Primary data 2022

3.4. Data Quality Control

Reliability Analysis

Using SPSS Table 3-4, the Cronbach's Alpha (Cronbach, 1951, Agaba & Kalu, 2018) was used to assess the constructs' reliability in the study. With scores for government policies (GoP) and board accountability (BoA) ranging from 0.743 to.798 respectively, the results indicate that the constructs had satisfactory dependability. This indicates that there was a positive correlation between each construct's associated items and the items in the suggested model (Hair et al., 2010).

Table 3-04: Cronbach's alpha for the studied constructs

Construct	Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
Board assurance	.769	.770	6
Financial Performance	.765	.765	4

Cronbach's alpha (α) is a metric used to assess the internal consistency of an assessment tool. Cronbach's alpha is considered acceptable when it falls between 0.6 and 0.8 (Raharjanti et al., 2022; Agaba & Turyasingura, 2022). With an overall internal consistency of 0.767, the latent constructs in this study all have Cronbach's alpha scores over 0.6 (0.743–0.798).

Pilot Study Results

The questionnaire required to be pilot tested before being utilized in this study in order to evaluate the validity and reliability of the instrument and make any necessary modifications to the questions, structure, and scales (Malmqvist et al., 2019). A pilot research involving a limited number of selected SACCOs was conducted in the Mbarara District prior to the distribution of the actual questionnaires in the Kiruhura district. The pilot study's main objectives were to confirm that the questionnaire items were simple, easy to understand, and uncomplicated, as well as to ascertain whether the collected data had face validity and addressed the research topics (Gani et al., 2020).Subsequently, the researcher examined the information to identify any shortcomings or possible hazards in the questionnaire items, enabling judgments to be made about which ones should be removed, retained, or even added.

Over the course of roughly two weeks, the questionnaires were given to a convenience sample of 25 respondents in each of the four selected SACCOs in the Mbarara District. Of which 23 were sent back, indicating a high percentage of responses (92%). There were 21 complete and valid surveys, which corresponded to the average targeted sample when it came to age, gender,

and other factors. The questions were changed and eliminated by the researcher in accordance with respondent recommendations and the findings of a preliminary statistical analysis.

3.5. Data Analysis

In order to find pertinent information and draw conclusions to support decision-making, all of the obtained data was analyzed, cleaned, transformed, and modelled (Berman, 2017) & Agaba, Turyasingura, et al., (2023). Two stages of analysis were conducted on the data collected for this investigation. First, SPSS version 20.0 was used to conduct the preliminary data analysis and descriptive statistics on the respondents. Multicollinearity, mean and standard deviation, outliers and extreme values, and missing values were all included in these statistics. Using structural equation modeling (SEM), the structural links between the variables in the proposed conceptual model were tested and investigated in the second phase. Jaffrey's Amazing Statistical Program (JASP) version 0.17.2.0 was used to implement SEM. This section provides a brief explanation and rationale for the primary data analysis method employed in the study, which is SEM.

4. RESULTS

4.1. Descriptive Statistics

In order to describe participant characteristics in relation to their participation and/or involvement in the operation of the SACCOs, frequencies and percentages, means and standard deviations, and bivariate correlations among the variables are reported in this section. The descriptive statistics calculations were performed using JASP 0.17.20 software.

Table 4-01: Age category of respondents by gender

GENDER		Frequency	Percent	Valid Percent	Cumulative Percent
Male	21-29	31	26.1	26.1	26.1
	30-39	45	37.8	37.8	63.9
	40-49	24	20.2	20.2	84.0
	50-59	19	16.0	16.0	100.0
	Total	119	100.0	100.0	
Female	21-29	17	26.2	26.2	26.2
	30-39	33	50.8	50.8	76.9
	40-49	11	16.9	16.9	93.8
	50-59	3	4.6	4.6	98.5
	60 and above	1	1.5	1.5	100.0
	Total	65	100.0	100.0	

Source: Field Data 2023

The frequency and percentages of the participants' age by gender are presented in Table 4-1. As seen in the table, the survey contained more male participants than the females. However, for both male and female, the age group 30-39 had more participants as compared to other age categories with 45 (37.8%, n = 119) and 33 (50.8%, n = 65) males and females respectively.

Table 4-02: Education Level of respondents by gender

GENDER		Frequency	Percent	Valid Percent	Cumulative Percent
Male	Certificate	37	31.1	31.1	31.1
	Diploma	34	28.6	28.6	59.7
	Bachelor	44	37.0	37.0	96.6
	Masters	4	3.4	3.4	100.0

	Total	119	100.0	100.0	
Female	Certificate	15	23.1	23.1	23.1
	Diploma	15	23.1	23.1	46.2
	Bachelor	32	49.2	49.2	95.4
	Masters	3	4.6	4.6	100.0
	Total	65	100.0	100.0	

Source: Field Data 2023

The frequency and percentages of the participants' education level by gender are presented in Table 4-2. As seen in the table, both male and female respondents were of bachelors' level 44 (37%, n = 119) and 32 (49.2%, n = 65).

Table 4-03: Experience at work of the respondents by gender

GENDER		Frequency	Percent	Valid Percent	Cumulative Percent
Male	Below 1 year	20	16.8	16.8	16.8
	2-5 years	45	37.8	37.8	54.6
	6-10 years	25	21.0	21.0	75.6
	11-15 years	29	24.4	24.4	100.0
	Total	119	100.0	100.0	
Female	Below 1 year	8	12.3	12.3	12.3
	2-5 years	28	43.1	43.1	55.4
	6-10 years	20	30.8	30.8	86.2
	11-15 years	8	12.3	12.3	98.5
	15 years and above	1	1.5	1.5	100.0
	Total	65	100.0	100.0	

Source: Field Data 2023

The frequency and percentages of the participants' work experience by gender are presented in Table 4-3. As seen in the table, majority of the participants from either gender had work between 2-5 years with 45 (37.8%, n = 119) for males and 28 (43.1%, n = 65) for females.

4.2. Confirmatory factor analysis

A confirmatory factor analysis (CFA) was also carried out using JASP 0.17.20 in accordance with Schreiber's (2021) recommendations. In the CFA, the measurement model is tested, meaning that all latent variables or constructs are permitted to co-vary and the relationships between the manifest variables and the latent variables are defined.

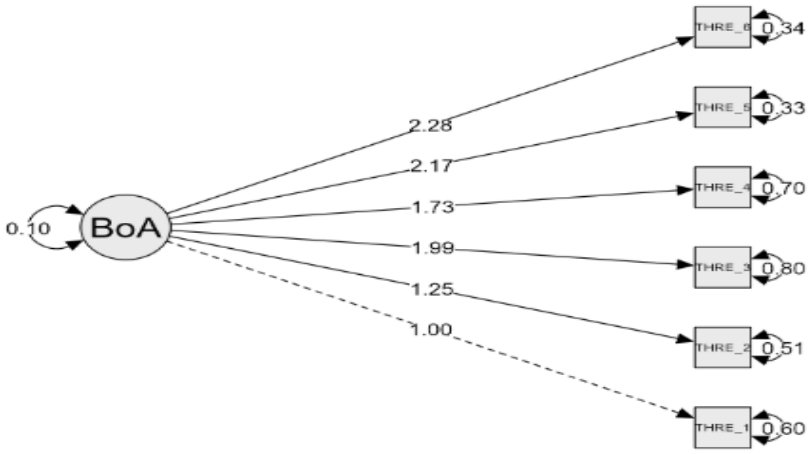

Figure 4-01b. Measurement model for board assurance (BoA)

Table 4-01b. Factor Loadings from the confirmatory Factor Analysis: Board Assurance (BoA)

						95% Confidence Interval		Standardized		
Latent	**Indicator**	**Estimate**	**Std. Error**	**z-value**	**p**	**Lower**	**Upper**	**All**	**LV**	**Endo**
BoA	THRE_1	1.000	0.000			1.000	1.000	0.384	0.323	0.384
	THRE_2	1.250	0.307	4.068	< .001	0.648	1.852	0.492	0.404	0.492
	THRE_3	1.986	0.456	4.356	< .001	1.092	2.880	0.582	0.642	0.582
	THRE_4	1.733	0.404	4.284	< .001	0.940	2.525	0.557	0.560	0.557
	THRE_5	2.170	0.460	4.721	< .001	1.269	3.071	0.772	0.701	0.772
	THRE_6	2.282	0.482	4.732	< .001	1.337	3.227	0.782	0.737	0.782

Model fit indices

Root Mean Square Error of Approximation (RMSEA) = 0.107
Comparative Fit Index (CFI) = 0.928
Standardized RMR = 0.053
Goodness of Fit Index (GFI) = 0.997

Analysis of the CFA's fit-indices (Appendix A) reveals that the suggested measurement model of board assurance is suitable (see section on model fit indices) for use as input in further structural equation modeling investigations.

Figure 4-01d. Measurement model for financial performance (FiP)

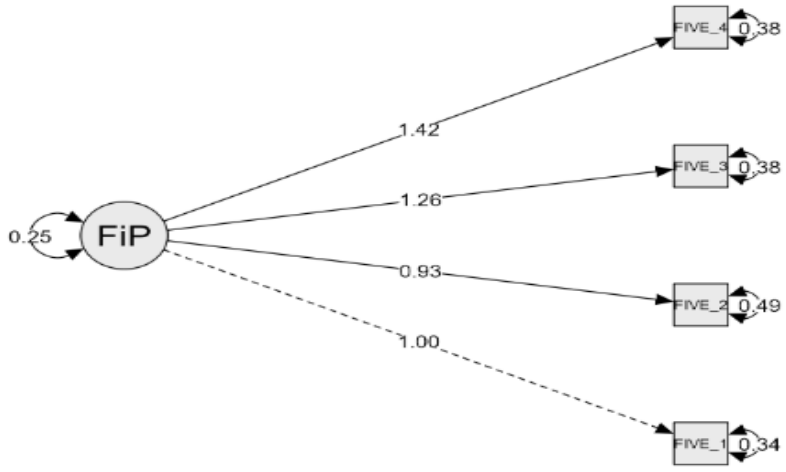

Table 4-01d. Factor Loading's from the confirmatory Factor Analysis: Financial Performance (FiP)

						95% Confidence Interval		Standardized		
Latent	**Indicator**	**Estimate**	**Std. Error**	**z-value**	**p**	**Lower**	**Upper**	**All**	**LV**	**Endo**
FiP	FIVE_1	1.000	0.000			1.000	1.000	0.652	0.504	0.652
	FIVE_2	0.935	0.155	6.043	< .001	0.632	1.238	0.557	0.471	0.557
	FIVE_3	1.261	0.176	7.171	< .001	0.916	1.605	0.716	0.635	0.716
	FIVE_4	1.423	0.195	7.292	< .001	1.040	1.805	0.757	0.717	0.757

Model fit indices

Root Mean Square Error of Approximation (RMSEA) = 0.103

Comparative Fit Index (CFI) = 0.978

Standardized RMR = 0.025

Goodness of Fit Index (GFI) = 0.999

The model Chi-squared (χ^2) = 5.868 ($p > 0.05$)

Analysis of the CFA's fit-indices reveals that the suggested measurement model of financial performance is suitable (see section on model fit indices) for use as input in further structural equation modeling investigations.

4.4 Structural Equation Model and Hypothesis testing

The structural model stage then examines the associations between the exogenous and endogenous latent variables once the discriminant validity and reliability of the sample dataset have been established (Matthews et al., 2018; Legate et al., 2023).

It is necessary to distinguish between dependent and independent variables in contrast to the CFA. A single arrow depicts the causal relationship between an independent variable and a dependent variable; however, SEM assumes that the independent variables are covariant, which is depicted by two-headed arrows. As a result, the relationship between the constructs is specified after moving from the measurement model to the structural model.

Table 4-04b: The summary of Indirect, Total and proportion effects of board assurance in predicting SACCO's financial performance when mediated by government policies

					95% Confidence Interval		Standardized		
Name	**Estimate**	**Std. Error**	**z-value**	**p**	**Lower**	**Upper**	**All**	**LV**	**Endo**
indirect	-0.726	0.785	-0.926	0.355	2.264	2.81	-0.577	-0.577	-0.577
total	0.190	0.716	0.265	0.791	-1.213	1.593	0.151	0.151	0.151
proportion	-3.828	15.360	-0.249	0.803	-33.933	26.277	-3.828	-3.828	-3.828

Table 5-02: The summary of results for the Direct Hypotheses of the latent variables (*n = 184)*

H#	Proposed relationship	Effects type	Path Coefficient	Study result
H_0:	BoA → FiP	Direct effect	0.343**	Supported (reject the null in favor of Ha)

Board assurance (BoA) (γ=0.343**) was found to have a significant positive influence on financial management of savings and credit co-operative societies (SACCOs) in Uganda, supporting the stated hypothesis.

In other words, the null hypotheses H_0: was rejected in favor of its respective alternative. In other words, the null hypotheses H_0: was rejected in favor of their respective alternatives H_{a3}; supported board assurance had a small but positive direction. This indicates that the board assurance variable contributed more positively to the prediction of firm's financial performance than the board accountability variable.

5. DISCUSSION

These results demonstrated that board assurance (BoA) was a strong predictor of SACCOs' financial performance based on a few corporate governance criteria.

Additionally, the BoA (0.343) coefficient indicates that there will be a commensurate gain in financial performance of 0.343 for every unit increase in the BoA. That is to say, SACCOs that produced documentation that brought together all relevant data regarding the risks related to the Board's Strategic Objectives in one place had a higher chance of making money. However, at the 5% level of significance, P-values greater than 0.05 and confidence intervals containing zeros show that the changes for BoA are not statistically significant.

Furthermore, this result was in line with the findings of the Kaawaase et al. (2021) study, which discovered a statistically significant direct influence of board assurance on a firm's financial performance. This is because board assurance is one of the elements of corporate governance. This effect was positive in nature, meaning that a SACCO would perform better financially the more its board took responsibility for the company's decisions and told stakeholders about them. The outcome was consistent with the Uyars Model. According to Uyars' Model, board assurance plays a significant role in a company's financial performance (Uyar, et al., 2020).

Kumari et al.'s findings are also corroborated (2022)Board members that participate in more lively meetings are more likely to act in the best interests of shareholders. According to Anyigbah et al. (2023), board meetings give members the opportunity to deliberate, advise, and make decisions regarding important matters that confront management as they carry out their responsibilities to improve performance. (Paul, 2017). Attending board meetings also gives members the chance to evaluate prompt management reports, which helps to improve a company's financial performance and operational performance. The study findings are corroborated by Bufarwa et al. (2020), who claim that while frequent attendance by directors at meetings might boost the company's profitability, frequent attendance by their representatives has the reverse effect. Jatana, (2023) provided empirical evidence to the effect that board meetings have a positive association with financial performance. For instance, Sethi *et al*., (2023) opined that greater frequency of meetings is positively associated with firm performance.

However, the findings are not supported by Alsartawi (2019), who asserts that meetings cannot have a positive effect on financial performance. He argues that they can have a negative relationship because they inflate administrative costs and ultimately, adversely affect a firm’s financial performance.

6. CONCLUSION AND RECOMMENDATIONS

6.1. CONCLUSION

The direct effect of board assurance had a small but positive direction. This indicates that the board assurance variable contributed more positively to the prediction of firm’s financial performance than the board accountability variable. The impact of this effect was positive,

Therefore the study concludes that SACCO's financial performance would increase with the degree to which its board assumed accountability for the company's actions and disclosed them to stakeholders.

6.2. RECOMMENDATIONS

The study recommends that SACCO's board should assume accountability for the SACCO's actions and disclose them to the shareholders and this will improve financial performance tremendously.

The study recommends that SACCOs should improve on the levels of Bank Assurance to achieve favorable financial results by applying careful attention to governmental regulations, rules and policies because Government performance acts as an indirect mediator in the relationship between the financial performance of SACCOs and BoA.

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