

**INTERNAL AUDIT FUNCTIONS AND THE FINANCIAL PERFORMANCE OF
PRIVATE INSURANCE COMPANIES IN RWANDA
A CASE STUDY OF SOCIÉTÉ RÉGIONALE D'ASSURANCE NON LIFE INSURANCE
LTD, KIGALI**

**BY
NYIRAMINANI THABEE
MBA/3441/12**

ABSTRACT

The purpose of the study was to examine the contribution of internal audit function on the financial performance of private insurance companies in Rwanda with the three objectives which include: to identify and analyze the different activities done by internal audit function in SORAS non-life insurance Ltd, to find out the importance of internal audit activities and their importance in financial performance of SORAS non-life insurance Ltd and to analyze how internal audit function contributes to the financial performance of SORAS non-life insurance Ltd. The target population equaled to 72 people composed by internal auditors, managers at different levels in SORAS non life insurance Ltd, the sample size involved all the population sampled. The researcher used primary data through questionnaires and interviews to collect data from selected employees of SORAS non-life insurance Ltd. Secondary data was also used. Data coding and editing was done in MS Excel to make it clearly presentable and analyzed. The researcher's analysis revealed that internal audit function of SORAS non-life insurance Ltd carries out five varied activities and ranked these activities as follow; to strengthen the internal control system, review of accounting to prevent and detect errors and frauds, review of established system to ensure compliance of rules and regulation, review of system to ensure that entity's assets are safeguarded and review of operations and risk assessment. The researcher's analysis also revealed that the contribution of internal audit function to financial performance of SORAS non-life insurance play an important role in profit maximization, reliable financial reports and market share growth. On the contribution of internal audit function to profit maximization and reliable financial reporting, all the 69 respondents confirmed the importance of those two aspects. On the contribution of internal audit function in market share growth; 41 respondents said that internal audit function is less important and other 28 confirmed its importance. None of the respondents confirmed that contribution of internal audit function in SORAS non-life insurance Ltd is not important. Based on the research findings, the researcher recommends that internal audit function in SORAS non-life insurance Ltd should improve the contribution of market share growth from the level of less important to important or even very important. The researcher suggests for a future study on the same research to other private insurance