INTERNAL CONTROL SYSTEMS AND FINANCIAL PERFORMANCE OF PRIVATE SECURITY FIRMS IN NAIROBI CITY COUNTY, KENYA

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ABSTRACT

Effective internal control systems are vital for protecting organizational assets, ensuring adherence to regulations, and enhancing overall operational performance, all of which contribute to strong financial outcomes. Huge cash losses have been recorded throughout the years, putting private security companies involved in cash transportation in the headlines. Theft of cash in transportation occurs not just by the G4S security business, but also by other security agencies engaged to carry it. In one recent occurrence, KK security agents stole a total of Sh82 million while carrying it from Westlands to the Central Bank of Kenya. The Wells Fargo security failed to prevent the theft of 94.9 million belonging to one of the Supermarket in Kenya during money transit. It is evident that the existing private security measures were insufficient to safeguard the business's assets. Private security firms are essential for ensuring safety and security across various sectors, including business environments, residential areas, and public events. This research aimed to investigate the effect of internal control systems on the financial performance of private security firms in Nairobi City County, Kenya. The objectives of the research were: to evaluate the effect of access control on financial performance of private security firms and to analyze the effect of risk assessment on financial performance of private security firms. The research was anchored on Agency Theory and Stakeholder Theory. The linkage between the variables were investigated using a causal study approach. The research focused on a population of 81 officially registered private security companies, from which a sample of 25 firms were chosen utilizing stratified sampling techniques. Data was primarily collected through structured, closed-ended questionnaires. The collected responses were analyzed utilizing both descriptive and inferential statistical methods. Descriptive statistics involved measures like means, standard deviations, and while inferential statistics comprised regression analysis to determine relationships and significance. The analyzed data was presented through frequency and percentage tables, and charts. The findings revealed that access control shows a positive performance as indicated by significance value of .001. Risk assessment have a significance level of .004, further solidifies the importance of this variable. The research concluded that effective internal controls particularly in the areas of access control and risk assessment play a critical role in enhancing the financial performance of private security firms. The research recommended that firm managers prioritize the continuous improvement of internal control frameworks. Specifically, it advocated for regular staff training to upgrade professional skills, as well as collaborative efforts among stakeholders and policymakers to foster an environment that supports best practices in internal control throughout the private security sector.

Keywords: Internal Control System, Access Control, Risk Assessment, Financial Performance, Private Security Firms.

INTRODUCTION

Security firms and other business organizations play a crucial role in boosting regional economies, especially in urban areas characterized by high crime rates and a growing demand for safety services (Mutonyi & Sirera, 2018). Globally, organizations whether profit-oriented or non-profit strive to meet their strategic goals efficiently. In the United States, private security firms operate within a heavily regulated framework, emphasizing the importance of internal controls to minimize financial irregularities and enhance profitability (Johnson & Wilson, 2020). Studies indicate that firms with comprehensive internal control systems tend to perform better financially, owing to reduced risks of fraud and improved operational efficiency, which in turn bolster client satisfaction and retention. Similar trends are observed in India, where rapid industry growth correlates with better financial metrics in firms that have established internal control systems, such as lower operational costs and higher revenues (Gupta & Sharma, 2020).

In countries like Pakistan, Nigeria, South Africa, and Kenya, research consistently emphasizes the positive impact of internal control systems on security firms' performance. Ali and Khan (2020) found that well-implemented controls not only reduce financial irregularities but also provide a competitive advantage, leading to increased profitability and customer satisfaction. Gupta and Singhania (2020) linked strong internal controls to improved financial indicators such as return on equity (ROE) and net profit margins. Adeyemi and Ojo (2019) noted that Nigerian firms with robust internal controls are more resilient against operational inefficiencies, managing resources effectively and ensuring regulatory compliance. In South Africa, Van der Merwe and Du Toit (2020) highlighted that comprehensive internal controls enable firms to deliver high-quality services while maintaining financial integrity and regulatory adherence. In Kenya, studies by Mwangi and Kamau (2021) and Chebet and Omondi (2020) reinforced these findings, demonstrating that effective fraud prevention and internal control mechanisms lead to higher financial performance, specifically higher ROE. Quantitative analysis across multiple studies confirms that firms with strong internal controls tend to achieve significantly higher returns on equity, with Kamau and Ndung'u (2019) reporting an average ROE of 18.5% for well-controlled firms compared to just 11.2% for those with weaker controls. These findings emphasize the critical role of internal control systems in enhancing financial performance, reducing risks, and ensuring long-term sustainability in the private security sector across different regions.

In Kenya's private security industry, which has grown significantly due to rising security concerns amid urbanization and economic expansion, financial performance is critical for sustainability and competitive positioning. The sector offers a range of services including guarding, surveillance, and integrated security solutions, serving diverse clients from households to public institutions (Lee & Kim, 2018). The effectiveness of private security firms is often gauged by their ROE, which indicates how efficiently they utilize shareholders' equity to generate profits. Studies reveal that technological innovation and proactive management significantly influence financial outcomes, with firms employing advanced technology and strategic management practices achieving an average ROE of around 19.5%, compared to just 12.7% for those relying on traditional approaches (Kamau & Ndung'u, 2019). This underscores the vital role of innovation in driving profitability within the industry.

Statement of the Problem

Research in private security sector reveals significant disparities in Return on Equity (ROE) among firms, largely influenced by the effectiveness of their internal control systems. Muriuki and Adan (2020) demonstrated that companies with robust internal controls achieved an average ROE of 20%, whereas those lacking such measures only managed 12%. The absence of standardized internal control frameworks results in resource mismanagement and diminished accountability, which restricts financial growth and stability. Nyaga and Muturi (2021) further corroborated these findings, noting that less than 40% of surveyed firms had comprehensive internal controls in place, leaving many vulnerable to financial misappropriation and operational inefficiencies. These weaknesses compromise service quality, client retention, and overall profitability. High-profile incidents exemplify these vulnerabilities; for instance, Wells Fargo was ordered to pay $80 million after failing to prevent a $94.9 million theft at a Kenyan supermarket, exposing deficiencies in security measures designed to safeguard assets (Wafula & Kimani, 2019). Similarly, G4S faced repercussions following an $80 million cash transit theft from a bank, and other firms like KK Security have been implicated in cash thefts, highlighting ongoing security lapses across the industry (Okumu & Achieng, 2018).

Further analysis points to operational shortcomings contributing to these security breaches, including inadequate personnel training, low staff morale due to poor compensation, and insufficient investment in modern technology (Wairagu, Kamenju, & Singo, 2018). These issues not only undermine security integrity but also lead to client dissatisfaction and declining service standards. Experts like Makori (2021) emphasize that improving financial and human resource capacity, along with strong stakeholder and leadership commitment, are vital for enhancing performance outcomes. Overall, the studies suggest that the integration of effective internal control systems is crucial for bolstering financial performance, mitigating risks, and restoring industry credibility in Kenya's private security sector, especially within Nairobi City County where these dynamics are particularly pronounced.

Objectives of the Study

The study was guided by the following objectives;

i. To assess the effect of access control on financial performance of private security firms in Nairobi City County, Kenya.
ii. To explore the effect of risk assessment on financial performance of private security firms in Nairobi City County, Kenya.

LITERATURE REVIEW

Access Control and Financial Performance of Security Firms

In the United Kingdom, a study by McGill and Wong (2020) concentrated on evaluating the impact of electronic access control systems on security firms' effective efficiency and monetary execution. A total of 150 security companies in England were polled for the research using a quantitative research approach. The results showed that financial performance metrics, especially profit margins, and the use of electronic access controls were positively correlated. The authors attributed this relationship to enhanced operational efficiency and the reduction of theft and liability costs due to effective access control measures. While the study presented robust data analysis, one critique is its limited scope, as it only incorporated firms from England, potentially overlooking regional variations within the UK.

In Kenya, a research by Waweru and Muriuki (2023) explored the association between access control strategies and the monetary execution of private security firms, utilizing a cross-sectional survey design. A total of120 security firms in Nairobi form the target population. Their analysis revealed that robust access control systems were linked to improved financial outcomes, such as increased revenue growth and service contracts. The authors attributed these findings to the fact that effective access control measures enhance customer satisfaction and loyalty. The cross-sectional approach makes it difficult to explore the causal linkages between access control and monetary execution over time, hence longitudinal data may be beneficial for the research.

Risks Assessment and Financial Performance of Private Security

Olawale, Afolabi, and Adedokun (2020) looked into the connection between private security companies' operational effectiveness and risk assessment in Nigeria. The researchers utilized a mixed-methods strategy, relating qualitative interviews with quantitative questionnaires. Senior managers and internal auditors from private security companies were among the target demographic. The methods of convenience and purposeful sampling were utilized to choose responders for the quantitative surveys and qualitative interviews. There were fifty responders in the sample. Semi-structured interview guides and structured questionnaires were among the research tools. The findings revealed that firms that implement thorough risk assessment procedures are more effective in managing security challenges and improving operational performance. According to the research, frequent risk assessments assist businesses in identifying weaknesses and allocating resources in a way that minimizes the possibility of security problems. In order to address the gaps in the literature, the survey was done in Nigeria, whereas the present research was done in Kenya.

Wanyama and Mwikya (2022) examined how risk assessment affected commercial banks' operations in Kenya. The research embraced a descriptive survey methodology. Forty-four commercial banks in Kenya are identified as research participants. However, basic random sampling methods were utilized to choose a sample size of 100 people. The tools utilized to utilized the data were the questionnaires. The outcomes indicate a solid association between commercial banks' performance and risk assessment. Additionally, by conducting frequent risk assessments, commercial banks may detect any security risks early and create suitable mitigation plans, increasing their dependability and efficiency. However, the current study focused on private security businesses, whereas the previous study was conducted in commercial institutions.

Theoretical Framework

The study was anchored by Agency Theory and Stakeholder Theory.

Agency Theory

The theory was developed in 1976 by Jensen and Meckling. The theory provides a framework for understanding the complex relationship between principals such as owners or shareholders and agents, including managers or employees. The theory centers on issues of information asymmetry and conflicts of interest, where agents may pursue personal goals that diverge from the best interests of the principals. In the context of security firms, this theory highlights the importance of internal control systems in mitigating agency problems and ensuring that management acts in alignment with shareholders' objectives. Principals entrust agents with managing resources to maximize wealth, but without adequate oversight, agents might engage in behaviors that lead to inefficiencies, financial misappropriation, or reduced firm performance. Therefore, effective internal controls become crucial to monitor and supervise agents' actions, curbing potential misconduct and promoting accountability within organizations.

In private security firms, internal control mechanisms play a vital role in reducing agency conflicts and aligning interests. Skilled and well-trained security personnel are better equipped to implement access controls, conduct comprehensive risk assessments, and monitor security operations effectively. These controls help identify vulnerabilities to fraud and misuse, allowing firms to implement targeted measures to mitigate such risks. By strengthening internal controls, firms foster transparency, accountability, and trust among stakeholders, which are essential for operational integrity. Moreover, aligning agents' incentives with principals' interests through robust controls enhances financial performance, as accurate reporting and resource efficiency lead to higher return on equity (ROE).

Stakeholder Theory

The theory was developed by Edward Freeman in 1983. The theory emphasizes that firms should consider the interests and expectations of all relevant parties such as the community, suppliers, consumers, employees, and other stakeholders when formulating strategies and making decisions (Freeman, 1984). In the context of private security companies, this perspective underscores the importance of aligning internal control systems with stakeholder needs to enhance performance and financial outcomes, particularly return on equity (ROE). The effectiveness of control measures, including monitoring, risk assessment, and access control, heavily depends on the capabilities of personnel involved, such as security staff, managers, and clients. Matching internal control systems with stakeholder expectations ensures that security firms can meet diverse requirements, improve service quality, and ultimately drive better financial performance.

Robust access control techniques safeguard confidential assets and sensitive data by reducing the risk of unauthorized access and breaches (Makori, 2021). These measures not only improve operational security but also bolster stakeholder confidence, including that of clients and investors, which can positively impact the firm's financial metrics such as ROE.

Conceptual Framework

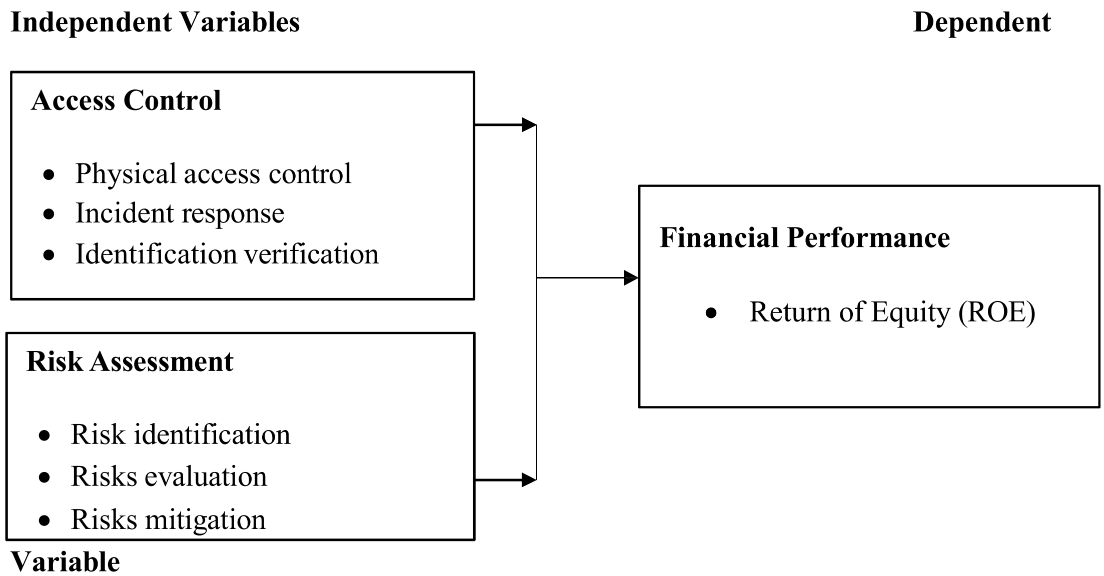

Figure 1 Conceptual Framework

RESEARCH METHODOLOGY

Research Design

The research employed a casual research design. A form of research methodology known as causal study design sought to demonstrate a cause-and-effect link between variables (Tobi & Kampen, 2018). The causal study design allowed researchers to control for confounding variables that influenced outcomes, guaranteeing that any observed changes in financial performance were attributed to interventions implemented in internal control systems.

Target Population

Private security firms that operate in Nairobi City County, Kenya, make up the target demographic for this survey. The choosing of Nairobi is reasonable by its large and diverse population, which generates substantial security demands that surpass the government's capacity to address. As a result, the city has become a hub for private security firms, with a significant number of companies operating in the area. According to statistics from 2024, there were 81 private security firms registered with the Kenya Security Industry Association (KSIA), which was the subject of the research.

Sampling Techniques and Sample Size

According to Creswell and Creswell (2017), when dealing with populations under 1,000, selecting between 10% and 30% of the population is generally adequate for drawing valid conclusions. However, this research used 30% of the targeted private security firms as a sample size. Therefore, a sample size of 25 private security firms were chosen randomly.

Research Instruments

Data from primary and secondary sources were gathered. Formal questionnaires were utilized to gather the primary data. Secondary data was congregated through published books, scholarly articles, journals, and reliable websites. Because the questionnaires provided significant administrative benefits, they were employed for data collecting. As per the Mugenda and Mugenda (2012), questionnaires were inexpensive, simple to analyze, accessible to most people, less prone to bias, and perceived as less intrusive.

Data Analysis

Both descriptive and inferential techniques were utilized to analyze quantitative data with aid of Statistical Package for the Social Sciences (SPSS version 26). Descriptive statistics comprised means, standard deviations, frequencies, and percentages. Regression analysis models and product moment correlation were used in the inferential analysis. The results were illustrated using tables. Utilizing regression models was suitable for this research as it enabled the exploration of association between variables. As highlighted by Ali and Younas (2021), regression analysis served to predict, describe, and estimate relationships, facilitating reasonable conclusions about various events. The analysis maintained a 95% confidence level throughout. Multiple linear regression analysis was utilized to carry out inferential statistics. The researcher performed multiple regression with a 95% confidence level.

$$\mathbf{Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \varepsilon}$$

Where:

Y = Financial performance of private security firms

X_1 = Access control

X_2 = Risk assessment

α = Constant ε = Error term

RESEARCH FINDINGS AND DISCUSSIONS

Access Control and Performance of Private Security Firms

Exploring the impact of access control on the financial performance of private security firms in Nairobi City County, Kenya, was the survey's second objective. On a scale of 1 to 5, participants were requested to show how much they agreed with each indicator on access control and how it impacts private security companies' financial success from 1 strongly disagree to 5 strongly agree. The outcomes were exhibited in Table 1.

Table 1: Results for Indicators of Access Control

Indicators	n	Mean	Std. Dev

Effective access control systems enhance operational efficiency, reducing costs and improving the monetary execution of private security firms.	70	3.85	0.791
Advanced access control technologies improve client satisfaction, fostering long-term contracts and increasing revenue for private security firms.	70	3.81	0.785
Implementation of robust access control measures minimizes unauthorized access, reducing liabilities and operational risks for private security firms.	70	3.76	0.782
Automated access control systems reduce labour costs associated with manual security processes, positively impacting the profitability of private security firms.	70	3.73	0.779
Comprehensive access control strategies contribute to safeguarding client assets, enhancing the reputation and financial growth of private security firms.	70	3.78	0.783
Regular updates and maintenance of access control systems ensure operational reliability, which supports sustained financial performance for private security firms.	70	3.82	0.786
Average scores		**3.392**	**0.784**

Source: Field Data (2024)

The results in Table 1 offers a thorough examination of the perceptions regarding access control systems among private security firms in Nairobi City County, Kenya. With an average score of 3.79 and a Std. Dev of 0.784, the findings reveal a significant consensus on the positive impact of access control measures on operational efficiency and monetary execution. The first statement, 'Effective access control systems enhance operational efficiency, reducing costs and improving the monetary execution of private security firms', scored a mean of 3.85 with a Std. Dev of 0.791. This suggests that respondents strongly believe in the linkage between access control and monetary execution. According to Asamoah and Ansah (2022), effective access control systems minimize unnecessary expenditures by streamlining security operations, ultimately enhancing profitability. The research uncovered that firms with robust security measures were better able to allocate resources effectively, leading to lower operational costs. The second statement, "Advanced access control technologies improve client satisfaction, fostering long-term contracts and increasing revenue for private security firms," achieved a mean score of 3.81 and a Std. Dev of 0.785. The integration of advanced technologies is critical for maintaining high service standards. Waweru and Muriuki (2023) found that firms implementing state-of-the-art access control technologies reported increased client trust and satisfaction, which in turn led to longer contracts and enhanced revenue streams.

The third statement states, "Implementation of robust access control measures minimizes unauthorized access, reducing liabilities and operational risks for private security firms," and received a mean score of 3.76 with a Std. Dev of 0.782. This finding underscores the importance of strong access control in managing risks. Razzaq, Khan and Qureshi (2021) support this result, indicating that minimizing unauthorized access through effective controls decreases the likelihood of security breaches and related liabilities, which can be financially detrimental to firms.

The fourth statement, "Automated access control systems reduce labour costs associated with manual security processes, positively impacting the profitability of private security firms," scored a mean of 3.73 and a Std. Dev of 0.779. Automation in access control not only enhances efficiency but also significantly reduces labor-related expenses. As noted by McGill and Wong (2020), firms that utilize automated systems experience a reduction in operational costs, allowing for better allocation of financial resources toward growth activities.

The fifth statement asserts that “Comprehensive access control strategies contribute to safeguarding client assets, enhancing the reputation and financial growth of private security firms”, with a mean score of 3.78 and a Std. Dev of 0.783. The safeguarding of client assets is a priority in the security industry, and Kamau and Ndung'u (2019) emphasize that effective access control measures bolster reputational standing, boosting client confidence and leading to financial growth.

The final statement, “Regular updates and maintenance of access control systems ensure operational reliability, which supports sustained financial performance for private security firms” received a mean score of 3.82 with a Std. Dev of 0.786. Regular maintenance is critical to ensuring that access control systems function optimally. Ong'are and Njeru (2022) point out that ongoing updates help avert potential failures that could lead to security breaches and financial losses, thus safeguarding consistent operational reliability.

Risk Assessment and Financial Performance of Private Security Firms

Determining the impact of risk assessment on the financial performance of private security firms was the second objective of the research. On a scale of 1 to 5, participants were inquired to specify how much they agreed with each statement on the risk assessment and its impact on private security firms' financial performance from 1 strongly disagree to 5 strongly agree. The outcomes were exhibited in Table 2.

Table 2: Results for Indicators of Risk Assessment

Statements	n	Mean	Std. Dev
Risk assessment plays a crucial role in improving the operational efficiency and effectiveness of private security firms.	70	3.87	0.792
Comprehensive risk assessment strategies mitigate potential threats and vulnerabilities, thereby strengthening the resilience of private security firms.	70	3.73	0.781
Proactive risk assessment supports strategic decision-making processes and enhances the agility of private security firms.	70	3.71	0.776
Risk assessment informs resource allocation and prioritization within private security firms, optimizing operational outcomes.	70	3.81	0.786

Thorough risk assessment builds trust and enhances the reputation of private security firms among clients.	70	3.70	0.765
Continuous monitoring and updating of risk assessments ensure adaptability and readiness to address evolving security challenges for private security firms.	70	3.69	0.753
Average scores		**3.751**	**0.776**

Source: Field Data (2024)

The results shown in Table 2 offer important new information on how private security companies, view the contribution of risk assessment to operational effectiveness and financial performance. There is broad agreement about the significance of risk assessment in improving operational performance and reducing possible risks as presented by the average score of 3.751 and the Std. Dev of 0.776. The first statement, 'Risk assessment plays a crucial role in improving the operational efficiency and effectiveness of private security firms', scored a mean of 3.87 and a Std. Dev of 0.792. This high score underlines the vital role that risk assessment plays in ensuring that private security firms operate efficiently and effectively. Research by Johnson and Brown (2019) supports this finding, highlighting that proactive risk assessment enables firms to anticipate and mitigate potential threats, thereby improving their overall operational efficiency.

The second statement, 'Comprehensive risk assessment strategies mitigate potential threats and vulnerabilities, thereby strengthening the resilience of private security firms,' received a mean score of 3.73 and a Std. Dev of 0.781. A comprehensive risk evaluation is essential for identifying potential vulnerabilities and developing strategies to mitigate them. Wanyama and Mwikya (2022) noted that robust risk assessment practices enhance the resilience of private security firms, enabling them to withstand and recover from potential threats more effectively. The third statement, 'Proactive risk assessment supports strategic decision-making processes and enhances the agility of private security firms', scored a mean of 3.71 and a Std. Dev of 0.776. By offering insightful information that guides strategic decision-making, proactive risk assessment enables private security companies to promptly adjust to shifting conditions. Olawale, Afolabi, and Adedokun (2020) agreed that proactive risk assessment is crucial for enhancing the agility of private security firms, enabling them to respond rapidly to emerging threats.

The fourth statement, 'Risk assessment informs resource allocation and prioritization within private security firms, optimizing operational outcomes,' achieved a mean score of 3.81 and a Std. Dev of 0.786. Effective resource allocation and prioritization are critical for optimizing operational outcomes in private security firms. According to Maphiri and Othata (2020), risk assessment is crucial in guiding these choices and guaranteeing the operational and proficient utilization of funds.

The fifth statement, 'Thorough risk assessment builds trust and enhances the reputation of private security firms among clients', scored a mean of 3.70 and a Std. Dev of 0.765. A thorough risk assessment demonstrates a firm's commitment to safety and security, building trust among clients. Muriuki and Adan (2020) noted that a strong reputation is essential for attracting and retaining clients, which is critical for the money execution of private security firms.

Lastly, the sixth statement, ‘Continuous monitoring and updating of risk assessments ensure adaptability and readiness to address evolving security challenges for private security firms’, received a mean score of 3.69 and a Std. Dev of 0.753. Continuous risk assessment is essential for staying ahead of evolving security challenges. Nyaga and Muturi (2021) emphasized the importance of continuous monitoring and updating of risk assessments to ensure adaptability and readiness.

-Regression Coefficients

The direction and intensity of the linkage between internal control systems and financial performance may be determined with the use of regression coefficients. Each coefficient quantifies the nature of the linkage between the several internal control system components (risk assessment, monitoring, and access control) and the outcome variable (financial performance). The outcomes are displayed in Table 3.

Table 3: Regression Coefficients

Variables	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	**Std. Error**	**Beta**		
(Constant)	.324	0.1247		2.121	.002
Access control	0.231	0.0127	0.219	1.251	.001
Risk assessment	0.256	0.0213	0.223	1.235	.004

Source: Field Data (2024)

As per the SPSS generated table, the equation $(\mathbf{Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \varepsilon})$ becomes;

$\mathbf{Y = 0.324+0.231X_1+0.256X_2+\epsilon}$

Where Y = Financial Performance of Private Security Firms

X_1 = Access Control

X_2 = Risk Assessment

The outcomes exhibited in Table 3 display that access control shows a similarly positive unstandardized coefficient of 0.231, demonstrating its noteworthy effect on the financial performance of these firms. The standardized coefficient (Beta) of 0.219 signifies that effective access control protocols are also associated with enhanced financial outcomes. The t-value of 1.251 and the significance value of .001 add further credence to the robustness of this finding. Effective access control not only secures assets but also contributes to operational efficiency, thus improving financial performance. The results agree with the outcomes by Ochieng, Kamau and Karanja (2022), who noted that strong access control systems lend to better asset management and reduce losses due to fraud or theft.

Risk assessment have the unstandardized coefficient of 0.256 specifies a notable positive relationship with financial performance, suggesting that organizations that actively engage in risk assessment activities are likely to see improved financial results. The standardized coefficient (Beta) of 0.223, paired with a t-value of 1.235 and a significance level of .004, further solidifies the importance of this variable. The practice of identifying and mitigating risks enables firms to allocate resources more efficiently and prevent financial losses, a notion highlighted by Mbugua (2020), who asserts that thorough risk assessment strategies are integral to safeguarding the financial interests of security firms.

CONCLUSIONS AND RECOMMENDATIONS

Conclusion

The study concluded that internal control systems, comprising access control and risk assessment significantly influence the financial performance of private security. Access control systems, through robust protocols and advanced technology, reduce operational risks, safeguard assets, and improve efficiency, thereby strengthening financial stability. Risk assessment enables firms to identify and address potential threats proactively, optimizing decision-making, resource allocation, and resilience, which are essential for sustained financial growth.

Recommendations

Based on the findings, several recommendations were made:

i. The government of Kenya should consider creating a regulatory framework that supports the effective implementation of internal control systems in the private security sector. Simplifying licensing processes and providing guidelines for the establishment of internal controls would greatly benefit firms, particularly smaller security providers, in adhering to best practices. Developing public-private partnerships aimed at bolstering security standards also help to improve the overall efficacy of the sector, thus positively influencing its financial performance.

ii. Stakeholders and policymakers should work collaboratively to create an environment that promotes best practices in internal control systems across the private security sector. This will be achieved through the development of business standards that define clear expectations for risk assessment protocols and access control measures. Conducting periodic assessments of security firms to ensure compliance with these standards can help identify gaps and areas for improvement.

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