

Abstract:

State corporations require good performance from individuals to achieve their objectives. In view of the growing presence of technology, it becomes necessary to understand performance in the context of information systems. The control environment is the foundation on which an effective system of internal control is built and operated in an organization that strives to achieve its strategic objectives, provide reliable financial reporting to internal and external stakeholders, operate its business efficiently and effectively, comply with all applicable laws and regulations, and safeguard its assets. State corporations in Kenya have in the recent past experienced a number of corporate failures related to corporate power structures in place. The general objective of this study was to establish the effect of internal control systems on performance of state owned corporations in Kenya. The specific objectives was to establish the effect of information system on performance of state owned corporations in Kenya and to investigate the effect of control environment on performance of state owned corporations in Kenya; Descriptive design was used in the study. 160 employees were used from the selected from corporation owned by the state as the population target. This comprised of directors, managers, and administrators of departments from, NITA, National Human Resource Planning and Development National Council for Children, Registrar of Trade Unions, and National Council for Persons with Disability, National Employment Bureau, NSSF and Productivity Centre for Kenya. The study engaged census approach since the population was minor. Primary data was collected by use of structured questionnaires and was studied quantitatively using statistical package for social sciences (SPSS). SPSS engendered both descriptive statistics such as frequencies, mean, percentages of the received responses. Inferential statistics included regression and bivariate correlation. The study established that information systems and control environment were positively and ominously related to performance of state owned corporations. Built on the results above the study determined that internal control systems through information systems and control environment positively affected the financial performance of state owned corporations in Kenya. The study recommended that management of parastatals should implement effective internal control systems such as information system and control environment to enhance effective and efficient performance

Keywords: *Information system, Control environment, Performance and State owned corporations in Kenya*