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Effectiveness of Internal Control Systems on the performance of Hospitality Industry Management. A Case of Moriah Hill Resort.

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ABSTRACT: This research assessed the effectiveness of Internal Control Systems on the performance of Hospitality Industry Management using a case of Moriah Hill Resort. As independent variables, the research assessed the effectiveness of five components of Internal Controls namely: Control Environment, Risk Assessment, Control Activity, Information and Communication, and Monitoring. For dependent variable, the research assessed: Occupancy, ADR (average daily rate), REVPAC (revenue per available customer), REVPAR (revenue per available room), Customer acquisition cost, and Retention rate. The research used a mix of Quantitative and Qualitative approaches. The total population involved in this research is composed of 40 employees of Moriah Hill Resort. Quantitative data was collected using a questionnaire designed in form of five levels Likert scale and was analyzed using IBM Statistics SPSS 23. The coefficient of reliability outlined by Cronbach's Alpha was .943 or 94% meaning excellent reliability. Qualitative data was collected using Interview. The research found that Control Environment component is effective ($\bar{x}$= 3.74; σ= 0.237). Risk Assessment component is effective ($\bar{x}$= 4.91; σ= 0.338). Control Activities component is effective ($\bar{x}$= 4.59 σ= 0.471). Information and Communication component is effective with ($\bar{x}$= 4.94 σ= 0.234). Monitoring component is effective ($\bar{x}$= 4.87; σ=0.409). The key weaknesses of Internal Controls outlined by the research are: Lack of culture of Internal Rotation of duties affecting employees' behavior ($\bar{x}$=4.82); Poor application of internal barriers limiting access to Offices and Stores ($\bar{x}$=4.88); Insufficient salary affecting employees' motivation ($\bar{x}$=4.85); Poor professional trainings and poor trips that could increase skills among employees ($\bar{x}$=4.90); Weak employees unwilling to work ($\bar{x}$=4.82); Camera of security that do not cover all departments ($\bar{x}$=4.92); Employing two different Security Companies at the same Hotel ($\bar{x}$=4.93); and lack of external audit services ($\bar{x}$= 5.00).

KEY WORDS: Hospitality Industry, Hotel, Internal Control Systems, Management.

I.   BACKGROUND OF THE STUDY

Vaclovas and Giriūna (2012) defined Internal Control as a process, effected by an entity's board of directors, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories: (i) Effectiveness and efficiency of operations; (ii) Reliability of financial reporting; and (iii) Compliance with laws and regulations. A built- in Internal Control System ensures strict adherence to statutes, codes and manuals, minimize the risk of errors and irregularities and helps to protect resources against loss due to waste, abuse, and mismanagement. Basically, internal control systems are the laws, policies, and procedures that affect the daily operations and management (Vaclovas &Giriūna, 2012). Internal control is a process effected by an organization's structure, work and authority flows, designed to help the organization accomplish specific goals or objectives. It is a means by which an organization's resources are directed, monitored, and measured. It plays an important role in preventing and detecting fraud and protecting the organization's resources, both physical (e.g., machinery and property) and intangible (e.g., reputation or intellectual property such as   trademarks). At the organizational level, internal control objectives relate to the reliability of financial reporting, timely feedback on the achievement of operational or strategic goals, and compliance with laws and regulations. At the specific transaction level, internal control refers to   the actions taken to achieve a specific objective (e.g., how to ensure that the organization's payments to third parties are for valid services rendered). Internal control procedures reduce process variation, leading to more predictable outcomes (Zauwiyah& Marinate, 2018).

According to the Committee of Sponsoring Organizations of the Treadway Commission (COSO, 2013), the aim of internal controls consists of ensuring that (i) laws and regulations are complied with objectives

of the business; (ii) the instructions and directional guidelines fixed by Executive Management or the Management Board are applied; (iii) the company's internal processes are functioning correctly, particularly those implicating the security of its assets; (iv) financial information is reliable (COSO, 2013).

Internal controls are applied in all types of businesses. For the case of hospitality industry, a research of Yemer and Chekol (2017) on the effect of Internal Controls Systems on Hotels revenue in Bahir Dar and Gondar cities found that poor revenue performance is the outcomes of low level of service quality, absence of systems create a long term relationship with customer, increase of misuse of revenue or errors in operation, and increase of abuses. But also, the outcomes of weak internal control systems of the company confirm that company disclose ineffective internal controls system have larger tendency of experiencing management errors in their operation than those firms that report effective internal controls system. Precisely, company disclose poor revenue performance when devour a poor collection and poor analysis of performance data, poor internal control, poor internal organizational arrangement for revenue generation, improper handling cash, theft or fraud, lack of incentive, errors made by inefficient and inexperienced personnel, quality of service, pricing and fees, and quality of service among others (Yemer&Chekol, 2017).

According to Yemer and Chekol (2017), hotel revenue is not only obtained from a single source rather generates revenue through several activities such as: room division, food and beverages, function rooms, and fitness facilities, golf courses, casino and gambling facilities, and other additional services.

Effective internal controls provide an independent appraisal of the quality of managerial performance in carrying out assigned responsibilities for better revenue generation, reduce chance of loss of revenue, and it's also help in meeting its revenue target level (Yemer&Chekol, 2017).

To minimize the potential losses that minimize customer satisfaction business need to establish the checks and balances of the organizational form a basis for the authority functions. These check and balance are often called controls, and collectively, they make up the entity's internal control effective.

The Committee of Sponsoring Organizations of the Treadway Commission (COSO, 2013) described 21 basic principles that provide a solid foundation for a good internal control system that are the following: Establish preventative procedures; Establish management supervision; Monitor control systems; Institute employee selection and training system; Establish responsibilities; Prepare written procedures; Maintain adequate records; Separate record keeping and control of assets; Limit access to assets; Conduct surprise checks; Divide the responsibility for related transactions; Rotate jobs; Use machines such as front office billing/audit equipment, restaurant and bar cash registers and/or point-of-sale systems (POS); Set standards and evaluate results; Design forms and reports; Conduct external audits; Create an audit trail; Control documents; Supervise the system and conduct reviews; Control of purchases (this is done through the 5 documents 1. Purchase requisition 2. Purchase order 3. Invoice 4. Receiving report 5. Invoice approval form or stamp); Storage; Cash receipts; Cash disbursements; Bank reconciliation(COSO, 2013).

Poor implementation of such internal controls leads to business failure. For the case of hospitality industry, Rwanda is a good example. In Rwanda, hotels are mushrooming: They are quickly created and they close at a time. Many are announcements of auctions of hotels in different provinces of the Country. The main reason of their closure cited my media include incapacity to reimburse bank loan due to mismanagement. On the side of scholars, there is scarcity of little literature related to the problem.

Such gap in literature attracts this research on effectiveness of internal controls in hospitality industries in Rwanda, using a case of Moriah Hill Resort located in Karongi District in Western Province. The research would like to assess whether internal controls are implemented in hospitality industry; and checks their effectiveness.

II.   RESEARCH PROBLEM

Much as the hotels in Rwanda are mushrooming: they appear and disappear at any moment. Examples are the following: According to Kanamugire (2018), by December 2018, the Karisimbi Hotel, a high-end Kiyovu suburb-based facility, was facing the risk of liquidation after failing to pay almost Frw 2 billion owed to creditors. Karisimbi Splendid Ltd, which owns the property, was understood to have failed to settle a Rwanda Development Bank loan amounting to Frw 1.5 billion inclusive of accrued interests and Frw 50 million owed to Banque Populaire, unspecified amounts of unpaid workers' pension money to Rwanda Social Security Board in addition to tax arrears owed to RRA and Nyarugenge District. Kalisa (2018) states that by 23 May 2018, dozens of refurbished hotels meeting the minimum standards of Rwanda Development Board (RDB) have voluntarily

closed in the last five years. The author affirms that a one-and-a-half year survey completed early this year in Rusizi, Rubavu and the City of Kigali indicates that at least 20 hotels had either been permanently or temporarily closed in the last five years. The author cites Paradise Hotel in Rusizi, Peace Land Hotel and Sun Rise of Rubavu. Ten-To-Ten Hotel in the heart of Rusizi closed permanently and KEHEDA Hotel currently occupies its premises. Kivu Park Hotel on the shores of Lake Kivu adjacent New Tam Tam BIKINI Ltd Beach and 3B Hotel near Kigali Independent University (ULK) in Rubavu District closed permanently as well.

Through interview with Kalisa (2018), different hotels managers listed the following main causes of such closure including the following: limited financial literacy, over ambitious plans, poor management, critical gaps in service delivery, limited skills in hospitality by some service providers. Hotel owners and managers employing relatives, a syndrome that greatly compromises quality services, adding that the relatives in most cases lack the qualifications and skills required for a competitive sector. Managers are more respected than the customers when the managers are present the hotel attendants do the work well. Prices in hotels are high, not flexible to seasons. Some closure are due to inappropriate and inadequate business plans, unfinished infrastructures and failure to service bank loans. Management was a big problem for most of the hotel managers. They got loans from commercial banks which they failed to service and the banks had to auction their properties; Others instead of using the loans for the right purpose were lost in excitement and bought posh cars and/or invested them in luxurious weddings or went partying with bank loans hence the businesses could not be sustained (Kalisa, 2018).

All these challenges are linked to poor management of hotels. The solution should be the implementation of internal control systems that regulate the power and the responsibilities of each employee from the cleaner to the manager and ensure good effective use of financial resources. Businesses couldn't achieve their objective due to the fact their internal control systems are weak. Taking Moriah Hill Resort as a case study, this research aims at assessing the effectiveness of internal control systems in hospitality industry management in Rwanda.

III.　RESEARCH OBJECTIVE
The general objective of this research is to assess effectiveness of Internal Control Systems in Hospitality Industry Management, specifically in Moriah Hill Resort.Specific objectives of this research are:
1. To assess the effectiveness of the Control Environment Component on the performance ofMoriah Hill Resort.
2. To analyze the effectiveness of the Risk Assessment Component on the performance of Moriah Hill Resort.
3. To find out the effectiveness of the Control Activities Component on the performance of Moriah Hill Resort.
4. To outline the effectiveness of the Information and Communication Component on the performance of Moriah Hill Resort.
5. To assess the effectiveness of the Monitoring Component on the performance of Moriah Hill Resort.
6. To find out weaknesses of internal controls systems in Moriah Hill Resort.

IV.　RESEARCH FRAMEWORK
Inspired by the research of Cetin and Yetis while conducting an evaluation of the effectiveness of the Internal Control System in Hotel Businesses in Turkey (Cetin & Yetis, 2017), the research paradigm of this research is schematized as by the flowing figure 1.

Figure 1: Research Framework
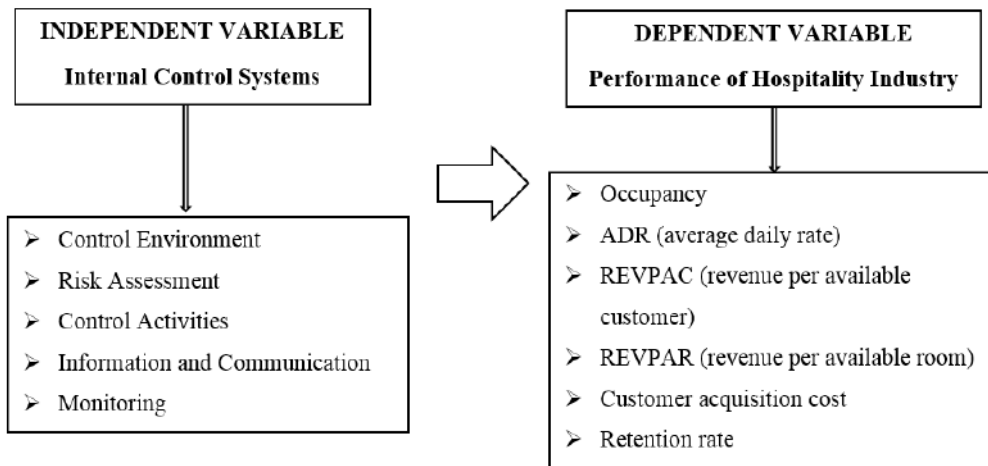
Source: Author, 2024.

V.   LITERATURE REVIEW

5.1. Conceptual review

This section gives the control objectives, control activities and components of internal control systems.

5.1.1.   Control Objectives

According to Elekwa, N. and Okechukwu, E. (2014), the Management is responsible for implementing appropriate controls that apply to transactions in their areas of responsibility. Internal auditors perform their audits to evaluate whether the controls are designed and implemented effectively to address the relevant objectives. The main objectives of internal controls are the following:

Objective	*Meaning*
Validity	Only valid or authorized transactions are processed.
Occurrence	Transactions occurred during the correct period.
Completeness	Transactions occurred during the correct period.
Valuation	Transactions are calculated using an appropriate methodology or are computationally accurate.
Rights & Obligations	Assets should represent the rights of the company, and liabilities its obligations.
Presentation & Disclosure	Financial statements are properly classified and disclosed.
Reasonableness	Results should be reasonable.

In sum, internal control objectives can be classified into three categories: (i) Effectiveness and efficiency of operations; (ii) Reliability of operational and financial reporting; (iii) Compliance with applicable laws and regulations.

5.1.2   Control Environment

According to Zauwiyah and Marinate (2018), the control environment establishes the tone of a company and influences the control awareness of the company's employees. It is the foundation for all the other internal control components and provides discipline and structure. Control environment takes into consideration the following factors: (i) the integrity, ethical values, and competence of an organization's employees; (ii) management's philosophy and operating style; (iii) the way management assigns authority and responsibility as well as organizes and develops its employees; (iv) the attention and direction provided by the board of directors.The personnel policies and practices that management adopts are an important aspect of the control environment. For example, an important control procedure is employee training programs that inform new hires about the company's various policies, outline individual responsibilities, and explain how to perform duties efficiently. Similarly, an organization should also conduct regular reviews of its operations to determine if they conform to desired operating policies. Many large and medium-sized enterprises have separate internal audit departments, whose internal auditors test existing internal controls for proper functioning and use. Small enterprises usually cannot afford their own internal audit departments, but they can hire outside consultants or ask managers to test compliance with operating policies.

5.1.3.   Risk Assessment

It is not possible or even desirable to install controls for every possible risk or threat. The purpose of risk assessment is to identify organizational risks, analyze their potential in terms of costs and likelihood of occurrence, and implement only those controls whose projected benefits outweigh their costs (Petteril, 2014).

5.1.4. Control Activities

Amudo and Inanga (2019) define control activities as policies and procedures that the management of a company develops to help protect all of the different assets of the firm. Control activities include a wide variety of activities throughout the firm and are typically a combination of manual and automated controls. Some examples of these activities are approvals, authorizations, verifications, reconciliations, reviews of operating performance, and segregation of duties. Through properly designed and implemented control procedures, management will have more confidence that assets are being safeguarded and that the accounting data processed by the accounting system are reliable. Physical controls include security over the assets themselves, limiting access to the assets to only authorized people and periodically reconciling the authorized people, and periodically reconciling the quantities on hand with the quantities recorded in the organization's records. Information processing controls are used to check accuracy, completeness, and authorization of transactions.

Control activities can be categorized into three categories: (i) Preventive controls that focus on preventing an error or irregularity; (ii) Detective controls focus on identifying when an error or irregularity has occurred; and (iii) Corrective controls focus on recovering from, repairing the damage from, or minimizing the cost of an error or irregularity.

Researchers such as Oladimej and Monisola (2013), Wood and Brathwaite (2013), Francis and Samuel (2013)outline the following control activities:

(1) **Good Audit Trail:** A good audit trail enables managers and auditors to follow the path of the data recorded in transactions from the initial source documents (for instance, a sales invoice) to the final disposition of the data on a report. In addition, managers and auditors can trace data from transactions on reports (such as expenses on an income statement) back to the source documents.
(2) **Segregation of duties:** Separating authorization, custody, and record keeping roles to limit risk of fraud or error by one person.
(3) **Authorization of transactions:** Review of particular transactions by an appropriate person.
(4) **Retention of records:** Maintaining documentation to substantiate transactions.
(5) **Documentation:** Observation or review of ongoing operational activity.
(6) **Physical safeguards:** A vital control activity that should be part of every organization's internal control system is the physical protection of its assets. Beyond simple protection from the elements, the most common control is to establish accountability for the assets with custody documents. Three application areas for this are (1) inventory controls, (2) document controls, and (3) cash controls. Other techniques used are: usage of cameras, locks, physical barriers to protect the property
(7) **Analysis:**   Analysis   of   results, periodic and regular   operational   reviews,   metrics,   and   other key performance indicators (KPIs)
(8) **Cash receipts and Disbursements by cheques:** As an effective control procedure, an organization should deposit intact each day's accumulation of cash receipts at a bank. For cash disbursement, accordingly, most organizations use pre-numbered checks to maintain accountability for both issued and unissued checks (Gimba & Buka, 2013)
(9) **IT Security:** Usage of passwords, access logs, etc. to ensure access restricted to authorized personnel.

5.1.5. Information and Communication

Managers must inform employees about their roles and responsibilities pertaining to internal control. This might include giving them documents such as policies and procedures manuals or posting memoranda on the company's intranet. This could also include training sessions for entry-level personnel and then annual refresher training for continuing employees. Regardless of the method, all employees need to understand how important their work is, how it relates to the work of other employees in the firm, and how that relates to strong internal controls. It is equally important that management understand the importance of keeping good working relationships between all layers of management so that employees feel safe communicating any possible problems they may find. When this is the case, employees at all levels can actually enhance the effectiveness of good internal controls. Also, they will be much more likely to point out any problems they may detect, and corrective action can be initiated (Amudo& Inanga, 2019).

5.1.6. Monitoring

Evaluation of internal controls should be an ongoing process. Managers at various levels in the organization must evaluate the design and operation of controls and then initiate corrective action when specific controls are not functioning properly. This could include daily observations and scrutiny, or management might prefer regularly-scheduled evaluations. The scope and frequency of evaluations depend, to a large extent, on management's assessment of the risks the firm faces (Petteril, 2014).

5.2. Theoretical Review

The internal control concept like other modern management frameworks emerged from classical theories that provide a foundation for modern thinking. This study relied on two key theories: systems theory and management control theory that have found wide recognition in creating deeper understanding of how formal organizations operate.

5.2.1. System theory

Systems theory is an interdisciplinary field which studies systems as a whole. Systems theory was founded by Ludwig von Bertalanffy, William Ross Ashby and others between the 1940s and the 1970s on principles from physics, biology and engineering and later was extended into other fields including organizational theory, management, psychotherapy and economics among others (Weinberg, 1975). The system is called open if there is a continual input and output of both energy and matter in it. Also, Anthony (1964) added that all systems except the smallest have subsystems and all but the largest have supra systems, which are their environment. Each system or subsystem conceptualized as having a boundary. The boundary of a system is the component that separates the system from its environment and filters the inputs to and the output from the system. An organization is synonymous with interrelated units or sub systems that must work together to achieve its goal and deliver on mandate. The systems perspective holds that to fully comprehend the function of the entire system, the interrelationships among different components or individual units have to be understood. The internal control system covers all relevant areas of an entity and help in creating a properly organized and controlled unit. Internal control is all-inclusive activity in all areas of organizations operations. However, the most important thing is that internal control should also take into account the objectives and goals of the tasks in order to make as effective as possible (Vaclovas &Giriūnas, 2012).

5.2.2. Management Control Theory

Anthony and Govindarajan (1998) viewed management theory as a process from where managers influence other members of an organization to implement the organization's strategies. Authors noted that management control is a process by which managers at all levels ensure that employees whom they supervise implement their intended strategies. The main task of the management control system is to ensure that the work activities and subunits conformed to the top managers' objectives and to supply the information to enable the managerial hierarchy to correct any deviations from set plans. The concept recognizes the existence of three key elements that must be present for any managerial control to take place within the control context: the Controller, the Controlled and the Methods of Control (Whitley, 1999).

5.3. Empirical Review

Yemer and Chekol (2017) assessed the effect of internal controls systems on hotels revenue using hotels in Bahir Dar and Gondar cities in Ethiopia. The study comprised 30 hotels from the from the total 50 numbers of hotels operating in two cities to investigate the relationship and effect of control environment, risk assessment, controlling activity, information and communication systems, and monitoring activity on revenue of hotels via logistic regression model. Independent variables used by the research are: (i) Control environment; (ii) Risk assessment; (iii) Control activities; (iv) Information and communications; and (v) Monitoring. The research was used purposive sampling techniques in selecting key informant from each selected hotels which comprised of informed persons who could provide data that is comprehensive enough to gain better insight into the problem.

The research found the following functions of internal controls implemented in Mara: (i) verification of incomings and expenditure 'per field of operation'; (ii) monitoring of expendable material from the market and their entrance in the hotel until the point of their final consumption;
(iii) control of monitoring the warehouse where expendable materials and non-expendable goods are stocked; (iv) monitoring of the financial operation; (v) Other controls, according to the bureaucratic structure of the hotel business. Concerning the effect of internal control systems on hotel revenue, the research found that control environment and risk assessment have no positive significant effect in determining the outcomes while others internal control components such as: controlling activity, information and communication and monitoring activity have positive and significant effect in determining the outcomes. Furthermore, monitoring activity has a greater influence on the outcomes than information communication and control activity. Therefore, the revenue

of hotels in Bahir Dar city and Gondar city was predicted by risk assessment, control activity, information and communication, and monitoring of internal control system (Yemer&Chekol, 2017).

Cetin and Yetis (2017) conducted an evaluation of the effectiveness of the Internal Control System in Hotel Businesses in Turkey. The research used a structured questionnaire form designed in form of five levels Likert scale; and the data were picked up by the methods of face-to-face survey and internet (e-mail) questionnaire where method Google forms were benefited. Concerning the Effectiveness of the Control Environment Component, the research found that the average of the answers change between 3.29 (smallest) and 4.29 (largest). The average of all is above three. In this direction, it has been determined that the control environment is effective in the hotel enterprises participating in the application. Concerning effectiveness of the Risk Assessment Component, the average of the answers changes between 3.53 (smallest) and 3.85 (largest). It appears that all the averages of answers to the statements of the risk assessment factor are over three. Furthermore, it is seen that the averages are over 3,5. In this direction, it was reached to the conclusion that in the hotel enterprises participating in the application risk assessment is effective. Concerning effectiveness of the Control Activities Component, the research found that the averages of the answers change between 3,55 (smallest) and 4,20 (largest).

It is noticed that all of the averages of the answers given to the expressions of control activities factor are over three. In this direction in the hotel enterprises participating in the application it was identified that control activities are active.

Concerning effectiveness of the Information and Communication Component the research found that the averages of the responses change between 3,62 (smallest) and 4,24 (largest). It is noticed that all of the averages of the answers given to the expressions of information and communication factor are over three. In this direction in the hotel enterprises participating in the application it was identified that the factor of information and communication is effective. Concerning effectiveness of the Monitoring Component, the research found that the averages of the responses change between 3,36 (smallest) and 4,18 (largest). It is noticed that all of the averages of the answers given to the expressions of monitoring factor are over three. In this direction in the hotel enterprises participating in the application it was identified that the factor of monitoring is effective (Cetin & Yetis, 2017).

VI.   RESEARCH METHODOLOGY

6.1. Research design

This research used a mixture of quantitative and qualitative design. Creswell (2003) describes qualitative, quantitative and mixed methods approaches as the following: Qualitative approach consists of using non-numerical data collected through interview, focus group discussions, personnel observation and telephone calls. Quantitative approach consist of using numerical data, collected though a designed questionnaire in form of closed questions organized in form of Likert scale and computed to produce the results if form of tables or figures. Mixing both methods allow the researcher to get a wide information and interpret quantitative data using qualitative data. This research used a questionnaire and structured interview.

6.2. Study Variables

A variable as item of the research that has a quantity or quality that varies. Dependent variable is the variable that depends on other factors that are measured. These variables are expected to change as a result of an experimental manipulation of the independent variable or variables. It is the presumed effect. Independent variable is the variable that is stable and unaffected by the other variables you are trying to measure. It refers to the condition of an experiment that is systematically manipulated by the investigator. It is the presumed cause. A lists of sub causes under independent variable constitute a series of independent sub variables. This research has two types of variables: Independent variable and its sub variables and Dependent variable (Flannelly and Jankowski, 2014).

6.2.1.   Independent Variable: Internal Control Systems

Internal control systems affect hospitality industry performance. A hotel with well designed and implemented internal controls perform well than a hotel without internal controls. Independent variables for this research are: Control environment; Risk assessment; Control activities; Information and communication; and Monitoring. These sub independent variables are components of internal controls. Those sub independent variables were used by Cetin and Yetis while conducting an evaluation of the effectiveness of the Internal Control System in Hotel Businesses in Turkey (Cetin & Yetis, 2017).

6.2.2.   Dependent Variable: Hospitality industry performance

The management of a hotel will be good or bad depending upon the internal controls that are existing. Effective internal controls lead to good management. Dependent variables for this case are:

(1) Occupancy which represents the percentage of occupied rooms relative to the number of rooms available in your hotel. This metric allows to precisely analyze hotel's current situation and to see which elements are attracting clients to book at any given time (Atkinson & Brander-Brown, 2018).

(2) ADR (average daily rate): this metric is computed by adding the rates of all your occupied rooms, and then dividing this sum by the number of occupied rooms. This indicator is interesting to look at, especially in order to compare your current average daily rate to that of the previous year (Brander-Brown & McDonnell, 2017).

(3) REVPAC metric indicator (revenue per available customer): this metric represents the total revenue generated by a single customer. The REVPAC is computed by taking the total revenue generated by all the customers and then dividing that sum by the total number of customers staying at your hotel. This computation yields the average revenue per hotel guest. This is useful when it comes to making predictions according to your occupancy and time of year (Chan, 2014).

(4) REVPAR (revenue per available room): this metric means that a particular room can be rented during the observed period of time. This metric indicator is computed by multiplying the ADR by occupancy. It is used to determine the average rate displayed for the available rooms (de Waal, 2017).

(5) Customer acquisition cost is a metric indicator which represents the cost invested for each acquired customer, meaning, for each additional client who books at your hotel.
The customer acquisition cost can be computed by summing the total amounts invested in sales and marketing, and then dividing that sum by the number of new clients acquired by the investment made in these departments (Haktanir& Harris, 2015).

(6) Retention rate: the retention rate represents the proportion of clients that remain loyal from time to time. Often, we consider a period of time of a year when analyzing the retention rate as it highly unlikely that a client would stay at your hotel every month. By being aware of the retention rate, you are able to adjust your strategy when it comes to retaining clients, and at the same time, improve their overall level of satisfaction (Harris & Mongiello, 2021).

6.3. Population, Sample and sampling techniques

A research population is generally a large collection of individuals or objects that is the main focus of a scientific query. This is the reason why researchers rely on sampling techniques. A research population is also known as a well-defined collection of individuals or objects known to have similar characteristics. Research population is defined as the totality of items (persons or objects) which attract the study (Barreiro & Albandoz, 2001). This research used the total of 40 employees of Moriah Hill Resort including the management staff of the hotel. Because the population is not large, the research used no sample. All employees were involved in the research.To pick the respondents, the research used the probability sampling wherebythe research gave equal probability to each employee of Moriah Hill Resort. No other condition was imposed. The research used simple random sampling. Stratified sampling was applied by dividing the population into two groups excluding one another based on sex in order to take into consideration both sex.

6.4. Primary data collection techniques

The research used the following techniques to collect primary data are: Questionnaire, Structured interview, and focus group discussions.

Questionnaire

The research used a questionnaire designed in form of five levels Likert scale to facilitate quick answers. Respondents had to circle the correct answers from the predefined ones respecting the following order: 1 for Strongly Disagree; 2 for Disagree; 3 for Uncertain; 4 for Agree; and 5 for Strongly Agree. The questionnaire was administrated to a sample of 30 respondents from employees of Moriah Hill Resort.

Structured interview

By structured interview, the researcher prepared in advance the questionnaire and gave it to 2 staffs of Moriah Hill Resort such as the Manager and the Controller. After obtaining the appointment, the researcher conducted the interview respecting the order of the questions as they were prepared.

6.5. Validity and Reliability tests

This research calculated the coefficient of Cronbach's Alpha IBM SPSS Statistics 23. The result showed that the questionnaire was reliable at 94% as shown by the following output from SPSS analysis. The value of the coefficient of stability from 0.9 and greater (90% above) consists of Excellent reliability. The value between 0.9 and 0.8 (89%- 80%) means Good reliability; whereas the value between 0.8 and 0.7 (79%- 70%) means Acceptable reliability. The coefficient 0.69 and below (69% and below) is not acceptable (MG Calitz, 2009).

Table 1: Reliability Statistics

Cronbach's Alpha	N of Items
.943	52

Source: IBM SPSS Statistics 23.

The table 1 above shows that the questionnaire was reliable at .943 (94%) and this lead to conclude that the reliability of the material is Excellent.

6.6. Data Analysis and interpretation of results

The data was computed using Statistical Package for Social Sciences (IBM SPSS Statistics 23) and the results were presented in form of frequency tables. Such tables were interpreted using qualitative data collected through interview, focus group discussions and personnel observation.

6.7. Ethical Considerations

This research was conducted in respect to ethics required for any scientific research. The researcher gathered respondents and explained to them the rationale of the research. The participation was voluntary and the questionnaire was designed in form that respect the confidentiality of information because there was no questions related to the names or identification numbers. Respondents had also the freedom to withdraw from the research and not submitting their copies.

VII.   RESULTS AND DISCUSSIONS

7.1. Demographic characteristics of respondents

This section describes respondents by their demographic characteristics namely: sex, age, education, experience in working at Moriah Hill Resort; and the poste occupied at Moriah Hill Resort.

Table 2: Identification of Respondents by Sex

Sex	Frequency	Percent
Female	11	27.5
Male	29	72.5
Total	40	100

Source: Data provided by Moriah Hill Resort (2019) computed by author using IBM SPSS Statistics 23.

The table 2 above shows that 72.5% of employees at Moriah Hill Resort are men and 27.5% are women. In fact, Moriah employs workers who attended technical schools especially in Hospitality Management through Vocational Training Centers. And in the time, such schools were attended by many men compared to women. Even if nowadays the situation changed and women attend those schools, Moriah has no issue of turnover. Employees remain in their respective poste for long time as showed by the table 5 below.

Table 3: Identification of Respondents by Age

Age	Frequency	Percent
20- 25	8	20.0
26- 30	21	52.5
31- 35	8	20.0
Above 35	3	7.5
Total	40	100

Source: Data provided by Moriah Hill Resort (2019) computed by author using IBM SPSS Statistics 23.

The table 3 above shows that the majority of workers are aged between 26 and 30 years (52.5%); the following category of age is between 20 and 25 (20%); and between 31 and 35 (20%). People aged above 35 occupy 7.5% of employees at Moriah Hill Resort. This finding shows that Moriah Hill Resort employed young people due to the nature of the business and due to long experience at work, the majority are aged between 26 and 30. In general Hotel businesses employ youths graduating from different institutions training in Hospitality Management. Those aged between 20 and 25 are 20% because at Moriah Hill Resort the poste are stable and there are no frequent turn over.

Table 4: Identification of Respondents by Education Level

Education level		Frequency	Percent
Valid	University	4	10.0
	A2 & TVET	36	90.0
	Total	40	100

Source: Data provided by Moriah Hill Resort (2019) computed by author using IBM SPSS Statistics 23.

The table 4 above shows that the majority (90%) of employees are graduates from A2 plus Technical and Vocational Schools. Only 10% attended University. This finding is justified by the politics of education in Rwanda promoting entrepreneurship through TVET Schools where youths are trained through short courses and get a job or create own jobs.

Table 5: Working Experience at Moriah Hill Resort

Experience		Frequency	Percent
Valid	1- 5 Years	16	40.0
	6- 10 Years	18	45.0
	Above 10 Years	6	15.0
	Total	40	100

Source: Data provided by Moriah Hill Resort (2019) computed by author using IBM SPSS Statistics 23.

The table 5 shows that 45% of employees at Moriah Hill Resort have experience between 6 and 10 years; 40% have experience below 5 years and 15% have experience above 10 years. This finding shows that at Moriah Hill Resort employees are stable and there are no frequent turnover.

7.2. Application of Control Environment in Moriah Hill Resort management
The table 6 is about Effectiveness of Control Environment Component of Internal Controls. The interpretation is based on the mean and standard deviation. The mean between 1 and 1.80 represents (strongly disagree), the mean between 1.81 until 2.60 represents (do not agree), the mean between 2.61 and 3.40 represents (true to some extent), the mean between 3:41 and 4:20 represents (agree), and the mean between 4:21 and 5:00 represents (strongly agree). Considering the standard deviation, a standard deviation close to zero indicates that data points are close to the mean, whereas a high or low standard deviation indicates data points are respectively above or below the mean (Warmbrod, 2014; Lee, Junyong, Sangseok, 2015). The table shows that the overall mean value for all cited controls is 3.91 which is close to 4. In Five Levels Likert Scale, 4 means Agree. This lead to conclude that respondents to the research agreed on effectiveness of Control Environment on the performance of Moliha Hill Resort. The Standard deviation which shows the level of homogeneity among respondents is 0.169 very close to zero. This means that respondents were homogenous in answering the questionnaire. This shows that the respondents share common views about Control Environment Component at Moriah Hill Resort.

These results outlined by the table 6 are supported by the answer from interview. One interviewee affirmed: "*We are conscious that control environment establishes the tone of a Hotel management and influences the control awareness of the company's employees. It is the foundation in the business. Since 2007, We struggled to implement important policies and measures such as using IT; tasks distribution; designing manuals clarifying responsibilities assigned to each worker; ensuring good coordination of departments, etc. However we have also weaknesses such as difficulties to rotate employees because of fear to remain in restarting activities and a king of cycle of trainings …*" (Moliah_Int2).

Table 6: Effectiveness of the Control Environment Component in Moriah Hill Resort

Control Environment at Moriah Hill Resort	N	Min.	Max.	Mean	Std. Dev.
Moriah Hill Resort has a powerful Management Information System managing all Services provided to the clients.	40	5	5	5.00	.000
In Moriah Hill Resort an effective coordination between departments and employees is available.	40	3	5	4.72	.506
At Moriah Hill Resort, the existing reporting system at operation allows the management to assess whether the main objectives of the business have been achieved.	40	3	5	4.72	.506
At Moriah Hill Resort, the money received is saved at Bank except the petty cash saved in appropriate coffer in a secured way.	40	2	2	2.00	.000

At Molia Hill Resort, Consumables are stored in a stock under careful supervision of storekeeper.	40	2	2	2.00	.000
Moriah Hill Resort, there is a Department of Internal Audit which conduct auditing at a regular basis.	40	5	5	5.00	.000
Overall Average	**40**	**3.3**	**4**	**3.91**	**.169**

Source: Data provided by Moriah Hill Resort (2024) computed by author using IBM SPSS Statistics 23.

7.3. Application of the Risk Assessment in Moriah Hill Resort management

The table 7 on Effectiveness of the Risk Assessment Component shows that the overall mean value is 4.91 very close to 5 which means Strongly Agree. By observing the mean value of each item of risk assessment component, the table 7 shows that all items have a mean value close to 5 which mean Strongly Agree. The standard deviation for risk assessment component is 0.338 close to zero. This means that respondents were homogenous. All these findings reveal that at Moriah Hill Resort risk assessment component if effective. Achievements in risk assessment at Moriah Hill Resort are highlighted by interviewees. While asked on the level of effectiveness of risk Assessment Component of Internal Controls, one interviewee responded: "*We did our best to plan measures facing potential risks because by our experience businesses close to poor planning and poor skills in risk management. One big risk is loss of financial reports due to the use of papers; at this issue we planned a Software and we always take backup of the system so that we can't lose data. Other risks can be the burning of the Hotel by electricity and we provided fire extinguishers; and our personnel are aware of the risks and the necessity to deliver timely information related to the business*" (Moliah_Int1).

Table 7: Effectiveness of the Risk Assessment Component in Moriah Hill Resort

Risk Assessment at Moriah Hill Resort	N	Min.	Max.	Mean	Std.Dev.
At Moriah Hill Resort the potential risks that reduce the effectiveness of activities and internal control are identified and measure are taken.	40	3	5	4.90	.379
Effectiveness of the internal control system at Moriah Hill Resort reduces the risk to the Hotel.	40	3	5	4.87	.404
The management of Moriah Hill Resort determines the action and control activities to reduce the risks and ensures their implementation.	40	4	5	4.95	.221
At Moriah Hill Resort processes and controls are updated to accommodate time-varying risks.	40	3	5	4.90	.379
The Management of Moriah Hill Resort has a mechanism that continuously monitors the internal risks that may affect the company's activities and targets.	40	4	5	4.93	.267
At Moriah Hill Resort the personnel are informed in advance about the risks points though general meetings.	40	3	5	4.90	.379
Overall Average	**40**	**3.33**	**5**	**4.91**	**0.338**

Source: Data provided by Moriah Hill Resort (2024) computed by author using IBM SPSS Statistics 23.

7.4. Application of Control Activities in Moriah Hill Resort management

The table 8 analyzed effectiveness of control activities at Moriah Hill Resort. The table shows that all three categories of control activities are implemented by Moriah Hill Resort: Preventive controls (with a mean value of 4.63); detective controls (with mean value of 4.33); and corrective controls (with mean value of 4.97). They have mean values close to 4 which mean Agree (for detective controls); and close to 5 (for preventive and corrective controls) which means Strongly Agree. These findings lead to conclude that at Moriah Hill Resort Control activities are effective.

The results of the effectiveness of control activities outlined by the table 8 above are supported by the answers from Interview. On effectiveness of control activities at Moriah Hill Resort, interviewee replied: "*Employees are like kids: When there is no controlling eyes over them, they prefer playing games! The Management of Moriah Hill Resort has established several mechanisms to control employees not only for preventing them laziness; but also improving the performance at work for satisfying customers and build sustainable service delivery at Moriah Hill Resort. We took time to develop preventive, detective and corrective controls and we are happy now to harvest the fruits…*" (Moliah_Int1).

Table 8: Effectiveness of the Control Activities Component in Moriah Hill Resort

Control Activities at Moriah Hill Resort	N	Min.	Max.	Mean	Std. Dev.
Preventive Controls					
At Moriah Hill Resort the management controls the work done by the personnel on a regular basis.	40	5	5	5.00	.000
At Moriah Hill Resort Processors are available to ensure that the operations are fully and accurately accounted for, preventing the loss of source and asset records and preventing fraud.	40	3	5	4.77	.577
At Moriah Hill Resort the transactions that are performed are made in accordance with the policies and procedures determined by the operator.	40	3	5	4.85	.483
At Moriah Hill Resort Planning, recording, fulfilling, controlling and managing the activities of the operator are different and it is maintained by the authorized personnel.	40	3	5	4.88	.463
Average	**40**	**3.29**	**5.00**	**4.63**	**.504**
Detective Controls					
At Moriah Hill Resort Physical Controls are conducted frequently to ensure safeguard of Hotel's assets and equipment.	40	2	4	3.32	.917
The Management of Moriah Hill Resort conducts regular checking of accuracy, completeness, and authorization of transactions.	40	3	5	4.33	.526
The Management of Moriah Hill Resort checks whether Financial Statements are arranged correctly, they are reliable and reflect reality.	40	3	5	4.65	.770
The Management of Moriah Hill Resort organizes Internal Audit to ensure good progress of business and check errors and frauds.	40	5	5	5.00	.000
Avarage	**40**	**3.25**	**4.75**	**4.33**	**.553**
Corrective Controls					
The Management of Moriah Hill Resort organizes trainings to employees for minimizing errors and improving performance.	40	4	5	4.95	.221
The Management of Moriah Hill Resort applies punishments to employees who do frauds or misconduct themselves at work.	40	4	5	4.98	.158
	40	4	5	4.97	.190
Overall Average	**40**	**3.38**	**4.92**	**4.59**	**.471**

Source: Data provided by Moriah Hill Resort (2024) computed by author using IBM SPSS Statistics 23.

7.5. Application of Information and Communication in Moriah Hill Resort management

The table 9 above shows that Information and Communication Component of internal controls is well implemented by Moriah Hill Resort.

The average mean value of all items considered by the research is 4.94 close to 5 which means Strongly Agree. By observing individual item of information and communication control, the table 9 shows that for all items, the mean value is above 4 meaning Agree and close to 5 meaning Strongly Agree. The standard deviation is close to zero (0.234) which means that responses were homogenous. All these indicators lead to conclude that Information and Communication Component of Internal Controls is effective at Moriah Hill Resort.

This finding is supported by the response from interview. One interviewee responded: "…Poor communication destroy the household…poor communication destroy any business so strong it can be. We know the risks and the consequences of a receptionist who does not communicate to the cooker on the number of guests received….We know the risks that can occur when a manager does not communicated to the staff about the task distribution among employees, and the employees who do not provide feedback to the head of departments…That is why communication at Moriah Hill Resort is key for the success of the business; especially the business of hospitality industry" (Moliah_Int2).

Table 9: Effectiveness of the Information and Communication Component in Moriah Hill Resort

Information and Communication	N	Min.	Max.	Mean	Std. Dev.
At Moriah Hill Resort there is an effective communication between the departments.	40	4	5	4.92	.26675
At Moriah Hill Resort the Management Information System (MIS) ensures that the data needed in the execution of the activities are supplied in an up-to-date and correct manner.	40	4	5	4.95	.22072
At Moriah Hill Resort the data is controlled, updated and verified while it is transferred to the information system.	40	4	5	4.90	.30382
At Moriah Hill Resort Software for Management Information System is protected by authorities.	40	4	5	4.95	.22072

	N				
For improving communication, at Moriah Hill Resort , English is used as a common communication language understandable by all employees; English is used to communicate with visitors	40	4	5	4.97	.15811
Overall Average	**40**	**4**	**5**	**4.94**	**.234**

Source: Data provided by Moriah Hill Resort (2019) computed by author using IBM SPSS Statistics 23.

7.6. Application of Monitoring in Moriah Hill Resort management

The table 10 above shows that Monitoring Component of internal controls is well implemented by Moriah Hill Resort. The average mean value of all items considered by the research is 4.87 close to 5 which means Strongly Agree. By observing individual item of Monitoring component, the table 10 shows that for all items, the mean value is above 4 (meaning Agree) and close to 5 (meaning Strongly Agree). The standard deviation which indicates the level of homogeneity among responses, the table 10 shows that it is close to zero (0.409) which means that responses were homogenous. All these indicators lead to conclude that Monitoring Component of Internal Controls is effective at Moriah Hill Resort.

These results are supported by the respondents from interview. One respondent affirmed: "*Monitoring is like guiding…and somehow it is like controlling the implementation of policies and strategies designed for the good progress of the business…Moriah Hill Resort promoted team spirit where the department is headed by the appointed employee. This report to the manager. Moriah Hill Resort uses security camera which also serve in monitoring activities in different departments. There is also an auditor specialized in auditing.*" (Moliah_Int1).

Table 10: Effectiveness of Monitoring Component in Moriah Hill Resort

Monitoring	N	Min.	Max.	Mean	Std. Dev.
At Moriah Hill Resort each department is responsible for the effective implementation and operation of the internal control procedures.	40	3	5	4.90	.37893
At Moriah Hill Resort the internal control system identifies errors and irregularities immediately and ensures that necessary measures are taken.	40	3	5	4.87	.40430
Top management of Moriah Hill Resort regularly monitors the performance of the business.	40	3	5	4.92	.34991
At Moriah Hill Resort important points are followed by cameras and the images are used when necessary.	40	3	5	4.85	.42667
At Moriah Hill Resort an effective internal audit department is available.	40	3	5	4.82	.44650
At Moriah Hill Resort Management periodically monitors the appropriateness and accuracy of performance indicators and measures.	40	3	5	4.82	.44650
Overall Average	**40**	**3**	**5**	**4.87**	**.409**

Source: Data provided by Moriah Hill Resort (2024) computed by author using IBM SPSS Statistics 23.

7.7. Weaknesses of Internal Control Systems in Moriah Hill Resort

Any business has strengths and weaknesses. The strengths of internal control systems are fully described by the tables 6 on effectiveness of control environment; table 7 on effectiveness of risk assessment; table 8 on effectiveness of control activities; table 9 on effectiveness of information and communication and table 10 on effectiveness of monitoring. The table 11 describes 7 main weaknesses of internal control systems in Moriah Hill Resort namely: Lack of culture of Internal Rotation of duties affecting employees' behavior (with a mean value of 4.82 close to 5 meaning Strongly Agree); Poor application of internal barriers limiting access to Offices and Stores (with a mean value of 4.88 close to 5 meaning Strongly Agree); Insufficient salary causing affecting employees' motivation (with a mean value of 4.85 close to 5 meaning Strongly Agree); Poor professional trainings and poor trips that could increase skills among employees (with a mean value of 4.90 close to 5 meaning Strongly Agree); Weak employees unwilling to work (with a mean value of 4.90 close to 5 meaning Strongly Agree); Camera of security that do not cover all Departments (with a mean value of 4.92 close to 5 meaning Strongly Agree); and Employing two different Security Companies at the same Hotel (with a mean value of 4.93 close to 5 meaning Strongly Agree). The overall standard deviation for all these indicators of weaknesses of internal control systems in Moriah Hill Resort is 0.327 close to zero meaning homogenous. At those weaknesses is added the weakness of not using external audit as affirmed by the table 6 where respondents strongly disagreed of external audit services in Moriah Hill Resort.

Those cited weaknesses are also highlighted by the interviewees. One interview said: "*No Company over the world lack weaknesses; but I cannot be happy of our weaknesses at Moriah Hill Resort ...It is hard to rotate employees because of the productivity we see in that person at his/ her poste...we fear to loose production...Employees working over 7 years become more friend than employee and this has an impact while applying punishment to them...the salary is still a challenge: We pay as we can and yet our capacity does not fit the price at the market…* " (Moliah_Int2).

Table 11: Weaknesses to Effectiveness of Internal Control Systems in Moriah Hill Resort

Weaknesses	N	Min.	Max.	Mean	Std. Dev.
Lack of culture of Internal Rotation of duties affecting employees' behavior.	40	4	5	4.82	.385
Poor application of internal barriers limiting access to Offices and Stores.	40	4	5	4.88	.335
Insufficient salary causing affecting employees' motivation.	40	3	5	4.85	.427
Poor professional trainings and poor trips that could increase skills among employees.	40	4	5	4.90	.304
Weak employees unwilling to work.	40	4	5	4.90	.304
Camera of security that do not cover all Departments.	40	4	5	4.92	.267
Employing two different Security Companies at the same Hotel.	40	4	5	4.93	.267
Overall Average	**40**	**3.9**	**5**	**4.89**	**.327**

Source: Data provided by Moriah Hill Resort (2024) computed by author using IBM SPSS Statistics 23.

7.8. Overall Effectiveness of internal control systems on the performance of Moriah Hill Resort
The table 12 below indicates that overall Effectiveness of Internal Control Systems on performance of Moriah Hill Resort is indicated by the overall x̄= 4.90 closer to 5 indicating Strongly Agree; and σ= 0.289 very closer to zero and indicating homogeneity of answers. Internal control systems promote customers retention rate (x̄= 4.98; σ= .355), they reduce customers acquisition cost (x̄= 4.78; σ= .135), they promote revenue per available room (x̄= 4.89; σ= .427), they promote revenue per available customer (x̄= 4.90; σ= .304), they promote average daily rate (x̄= 4.92; σ= .304), and they promote occupancy (x̄= 4.92; σ= .207).

Table 12: Overall Effectiveness of Internal Control Systems on performance of Moriah Hill Resort

Internal Control Systems on performance of Moriah Hill Resort	N	Min.	Max.	Mean	Std. Dev.
Internal control systems promote customers retention rate	40	4	5	4.98	.355
Internal control systems reduce customers acquisition cost	40	4	5	4.78	.135
Internal control systems promote revenue per available room	40	3	5	4.89	.427
Internal control systems promote revenue per available customer	40	4	5	4.90	.304
Internal control systems promote average daily rate	40	4	5	4.92	.304
Internal control systems promote occupancy	40	4	5	4.92	.207
Overall Average	**40**	**3.9**	**5**	**4.90**	**0.289**

Source: Data provided by Moriah Hill Resort (2024) computed by author using IBM SPSS Statistics 23.

VIII.   CONCLUSION

This research was about Effectiveness of Internal Control Systems in Hospitality Industry Management using a case of Moriah Hill Resort. Specifically the research assessed the effectiveness of the Control Environment Component in Moriah Hill Resort; the effectiveness of the Risk Assessment Component in Moriah Hill Resort; the effectiveness of the Control Activities Component in Moriah Hill Resort; the effectiveness of the Information and Communication Component in Moriah Hill Resort ; the effectiveness of the Monitoring Component in Moriah Hill Resort ; and the weaknesses of internal controls systems in Moriah Hill Resort .

For the first specific objective, the research found that control environment component at Moriah Hill Resort is effective as indicated by the overall mean value equal to 3.74 close to 4 meaning Agree. The standard deviation was 0.237 very close to zero indicating that responses from respondents to this research were homogenous. For the second specific objective, the research found that risk assessment component at Moriah Hill Resort is effective as indicated by the overall mean value equal to 4.91 very close to 5 meaning Strongly

Agree. The standard deviation was 0.338 very close to zero indicating that responses from respondents to this research were homogenous. For the third specific objective, the research found that at Moriah Hill Resort, Control Activities component is effective as indicated by the overall mean value equal to 4.59 close to 5 which mean Strongly Agree. The standard deviation was 0.471 close to 5 which is under 1 indicating that responses from respondents to this research were homogenous. For the fourth specific objective, the research found that Information and Communication at Moriah Hill Resort are effective as indicated by the overall mean value equal to 4.94 close to 5 which means Strongly Agree. The standard deviation was 0.234 close to zero indicating that responses from respondents to this research were homogenous. For the fifth specific objective, the research found that Monitoring component is effective at Moriah Hill Resort as indicated by the overall mean value of 4.87 close to 5 meaning Strongly Agree. The standard deviation was 0.409 close to zero indicating that responses from respondents to this research were homogenous. The last objective was about weaknesses to effective internal control systems at Moriah Hill Resort. The research found the following key weaknesses outlined by the table 11 of this research: Lack of culture of Internal Rotation of duties affecting employees' behavior (4.82 mean value);

Poor application of internal barriers limiting access to Offices and Stores (4.88 mean value); Insufficient salary causing affecting employees' motivation (4.85 mean value); Poor professional trainings and poor trips that could increase skills among employees (4.90 mean value); Weak employees unwilling to work (4.82 mean value); Camera of security that do not cover all Departments (4.92 mean value); Employing two different Security Companies at the same Hotel (4.93 mean value).

In conclusion, the research appreciateMoriah Hill Resort for implementation of internal control systems for improving its performance. Poor internal controls lead to business disclosure because they are source of poor revenue performance when devour a poor collection and poor analysis of performance data, poor internal organizational arrangement for revenue generation, improper handling cash, theft or fraud, lack of incentive, errors made by inefficient and inexperienced personnel, poor quality of service, challenging pricing and fees, and poor quality of service among others. On the other side, the research recommend to the management of Moriah Hill Resort the key mechanisms facing weaknesses for better performance. Those mechanisms are summarized in the following section of recommendations.

IX. RECOMMENDATIONS

To the management of Moriah Hill Resort, the research recommend the following:

1) Promoting a culture of rotating duties: Employees at Moriah Hill Resort are experiencing the same posts and the same responsibilities for a long period of years. This can be good for the quality of the service provided by experienced person; but on the side of performance of Hotel management such culture makes barriers. Lack of rotation of duties is the main source of frauds coupled with poor performance of employees who do not improve their skills thinking that they are experienced enough. This affect the service they provide and lead to poor quality of service delivery.

2) Creation of barriers limiting access to areas such as store and cash: The store contains cash in form of consumable assets. Accessing the store mean accessing the cash somehow. The management of Moriah Hill Resort should limit access to store as well as to cash by allowing the possession of the keys by the only responsible. For cash, the management of Moriah Hill Resort should apply the coffer that can only be opened by the cashier.

3) Promoting employees' motivations to cover the issue of insufficient salary: Employee's motivation also is an internal control that stimulates innovations and promotes the business. Moriah Hill Resort should plan allowances linked to the quality of service delivered.

4) Improving professional trainings and trips that could increase skills among employees: In Rwanda as well as in surrounding countries, Hotels are being implemented as many and with different specializations. Employees at Moriah Hill Resort should be equipped with enough technical skills in the domain either by inviting a trainer at Moriah or by conducting trips.

5) Improving supervision and promoting a culture of performance contracts: Weak employees unwilling to work make the job hard for their colleagues. The sure way of facing this challenge consists of improving the supervision inside the department; but also by the top management.

6) Extending security Camera for covering all Departments: In modern society, security camera play important role as internal control. Moriah Hill Resort has made efforts in implementing security camera, but they only cover some departments and not others. This research recommend to extend such camera so that the whole Hotel can be controlled.

7) Employing two different Security Companies at the same Hotel: Hiring Security Company is also an internal control. However, having two different Companies can cause collusion and make difficult to detect the responsibility of each. The research recommend to the Management of Moriah Hill Resort to choose one among the two Companies.

8) Use external audit: Internal audit can be affected by friendship with employees and fail to fulfill his/ her responsibilities. A big enterprise like Moriah Hill Resort requires external audit to challenge the gaps in services provided by internal audit.

X. SUGGESTIONS FOR FURTHER STUDIES

This research assessed the effectiveness of Internal Control Systems in Hospitality Industry Management, specifically at Moriah Hill Resort. The target of the research was to know existing internal controls at Moriah Hill Resort and their effectiveness because a tool can exist without being used. Further research should conduct a deep assessment of the relationship of Internal Control Systems and the profitability of Hospitality Industry Management.

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