

**INTERNAL CONTROL SYSTEM AND SERVICE DELIVERY: A case study of
source of the Nile Hotel Jinja**

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**UGANDA CHRISTIAN
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DECLARATION

I hereby declare objectively that this dissertation is my original work conducted at The Source of the Nile Hotel, Jinja and has not been presented for award of any other bachelor in any University or institution of higher learning. For that reason no part of this research report may be replicated without prior permission of Mbeiza Norah or Uganda Christian University.

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APPROVAL

This dissertation entitled "Internal Control System and service delivery, a case study of Source of the Nile Hotel Jinja" has been prepared under my guidance and supervision and is ready for submission to the School of Business for accreditation.

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DEDICATION

I dedicate this research report to my parents Mr. and Mrs. Taliwaku Bwana David for the effort to ensure my education became a reality at Uganda Christian University and Source of the Nile Hotel Jinja that gave me opportunity to carry out my research from their organization. My sincere dedications also go to my field supervisor, Mr.Katisme Nicson and the entire business school.

Finally I would like to dedicate this report to my family, Mrs. Iga Mugenyi Asinasi, Ms. Nambayo Gladys, Taliwako Shilla, Taliwaku Margreat, Taliwaku David, Naula Quin Jane, Akun Linda and entire Butebo community, given that without your support, I would not have reached this far. You have always been a source of inspiration, ideas, love, and encouragement to me; you really showed me the true face of kindness, parenthood that cannot be compensated by anything.

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Least but not last, special thanks go to my classmates and my close friends for all the time they afforded to give me despite their busy schedules. I appreciate your encouragement and moral support.

May the Almighty Lord bless all of you abundantly!!

LIST OF ACRONYMS

BCBS	Basel Committee on Banking Supervision
COSO	Committee of Sponsoring Organization
FCPA	Foreign Corrupt Practices Act
FY	Financial Year
ICS	Internal Control Systems
ICs	Internal Controls
SPSS	Statistical Package for Social Scientists

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ABSTRACT

The purpose of carrying this research was to examine the effect of Internal Control System on Service delivery in the hotel industry focusing on the Source of the Nile Hotel Jinja. The research was guided by three objectives namely, to establish the effect of control environment on service delivery, to assess the effect of risk assessment on service delivery and to examine the effect of control activities on service delivery. The research adopted a descriptive cross-sectional study design with a quantitative method to carry out the investigation. The findings of the study showed that most of respondent agree that the control environment has an effect on service delivery in the hotel industry. In the same they generally agree that also risk assessment has a tremendous effect on service delivery, and it was also ascertained that most respondents agree that control activities also have huge effect on service delivery in the hotel industry. The findings further confirmed that there was a moderately strong relationship between the factors of Internal Control systems and the level of service delivered in the hotel industry.

In conclusion, it can be asserted that Internal control system comprising of the control environment and control procedures need to be adopted by all directors and management of hotels so as to achieve its objectives by ensuring practical, orderly and efficient conduct of the organization.

It was recommended that the hotel owners needed to adopt the highest level of asset monitoring software to help it curb fraud coming as a result of misappropriated hotel assets and finances, that hotel supervisors be given adequately high payment and a strict code of conduct so that they do continuous monitoring and evaluation aimed at keeping a very high standard of operation at the hotel, that security systems and all necessary apparatus needed to be upgraded, through adopting things like online surveillance cameras, drones, and screening of all bags and likely areas of bleaching internal control procedures. Similarly it was also recommended that best customers be awarded tokens of appreciation on a yearly basis like trips abroad, television sets, phones so that customer's level of satisfaction is increased.

The areas of further study included; the need to research on the effect of credit accessibility on capitalization of Small and Medium Enterprises, to examine the relationship between maintaining an effective supply chain on the profitability of a company, and also to research on the role of an effective organizational structure on the performance of an organization.

CHAPTER ONE

1.0 Introduction

This chapter contains the background of the study, statement of the problem, purpose and objectives of the study, research questions, justification of the study, scope of the study, significance of the study and the conceptual framework.

1.1 Background of the study

Internal Control Systems in accounting and auditing refers to a process of assuring achievement of an organization's objective in terms of realizing operational effectiveness and efficiency which captures aspects such as reliable financial reporting, compliance with laws and the regulation of policies (Mugambi, 2014). In the broader concept, this entirely involves the entire process of controlling risks in an organization.

The study was guided by Stewardship Theory and Agency Theory. It actually plays a very critical role in understanding the entire dynamics that govern institutional behavior at all times. It emphasizes primarily in the analysis of the co-existence reasons of the non-economic but trust based relationships in organizations which could arise from the principal agent interest (Corbetta & Salvato, 2004). The stewardship approach encompasses the belief and the commitment to some set of ideals that are displayed both by the principal and the agent (Albanese, Dacin & Harris, 1997). In as much as the stewardship attitude among the actors of the organization compensates for the inadequacies realized in the Agency theory, it is faced with its own challenges when it is actually applied to some business context organizations. Ramachandran (2007) argues that in a family of controlled business, both the Agency and the Stewardship theory interplays a familial context. These theories determine the correct combination between the agency and stewardship theories from different perspectives of institutional growth. Organizations should respond to the system which is controlled so as to provide the rationale for the possible conflict that can develop between the principal (shareholders) and the agent (management). Taita-Taveta National Treasury board of directors as stewards of the company must ensure the long-term viability of the company by making the organization realize its objectives (Coombs & Gilley, 2005) and harmonizing the interests of the organization with those of the interest groups.

Internal control system is a topical issue following global fraudulent financial reporting and accounting scandals in both developed and developing countries (Mattie & Cassidy, 2002). According to COSO (2004), Internal Control is a system consisting of specific policies and procedures designed to provide management with reliable assurance that the goals and objectives it believes important to the entity will be met. In their view, the reasons to have internal controls is to promote operational effectiveness and efficiency, provide reliable financial and administrative information, safeguard assets and records, encourage adherence to prescribed policies and compliance with regulatory agencies.

Globally, Internal control is a key component of the Foreign Corrupt Practices Act (FCPA) of 1977 and the Sarbanes-Oxley Act of 2002, which required upgrades in inward control in United States open companies Meaghan and Nick, (2012).

In Africa, (Adeoye M and Adeoye, 2014) “Internal control system is a topical issue following global fraudulent financial reporting and accounting scandals in both developed and developing countries”. For any organization to maximize its finances and safeguard its assets, it must be able to manage its business processes which are one reason why ICs are very crucial. The subject of internal controls is not new but then there have been series of fraudulent practices both in the past and in recent times.

1.2 Statement of the Problem

The hospitality industry has a long colorful history beginning with inns, and lodges, and growing into the hospitality industry as stated by Michael and Richard (2016). An incredible change in the industry of tourism in the world brought many changes in the field of hotel business. This means, the expansion and development of travel has contributed a lot for the development of hotel industry. On the contrary, businesses in Source of the Nile Hotel Uganda couldn't achieve their objective due to the fact their internal control systems are weak. These internal control problem are more obvious in particular business sectors, such as the hotels business from the hospitality industry, which is one of the most growing sectors worldwide as mentioned by Politis *et al.* Further, globalization of economy, technological advancements, complexity of business, businesses failures and allegations of fraudulent financial reporting have recently sharpened the ever-increasing attention to internal controls Karagiorgos *et al.* Because of, business without

internal control is just a business not craft fashion shortly to achieve objectives, under no circumstances have a prospect to detect fraudulent activities, and demonstrate poor revenue as confirmed by Kumar & Sharma. (2019). It's therefore upon this background that the research intends to investigate the effect of the internal control systems on service delivery.

1.3 General Objective

The main objective of the study was to examine the effect of Internal Control System on Service delivery in hotel industry focusing on Source of the Nile Hotel Jinja.

1.4 Specific Objectives

The following are the specific objectives of the study;

- a) To establish the effect of Control Environment on Service Delivery in the study Context.
- b) To assess the effect of Risk Assessment on Service Delivery in the study Context.
- c) To examine the effect of Control activities on Service Delivery in the study context.

1.5 Research questions

- a) What is the effect of control Environment on Service Delivery in the Study Context?
- b) What is the effect of Risk Assessment on Service Delivery in the Study Context?
- c) What is the effect of Control activities on Service Delivery in the study context?

1.6 Scope of the study

1.6.1 Area scope:

The study was carried out at Source of the Nile Hotel Jinja branch, the location has been considered because the area was convenient to the researcher when it comes to data collection.

1.6.2 Content Scope:

The study covered the types of ICS together with ICS dimensions /constructs with their influences or functionality on service delivery in private organizations.

1.6.3 Time Scope:

The study used a cross sectional study. The period of the study i.e. the period within which data was to be considered and collected at a point in time from 2020/2022 FY. The researcher chose this year because this was relatively the year when a lot of financial transactions took place in Source of the Nile Hotel Jinja. The study took a period of three months the reason being ignorance of some respondents, inadequate finance and unfavorable weather.

1.7 Justification of the study

The study was determined to have the following justifications when completed: -

Student: The study is a requirement for partial fulfillment of award for a Bachelor's degree in Business Administration at Uganda Christian University.

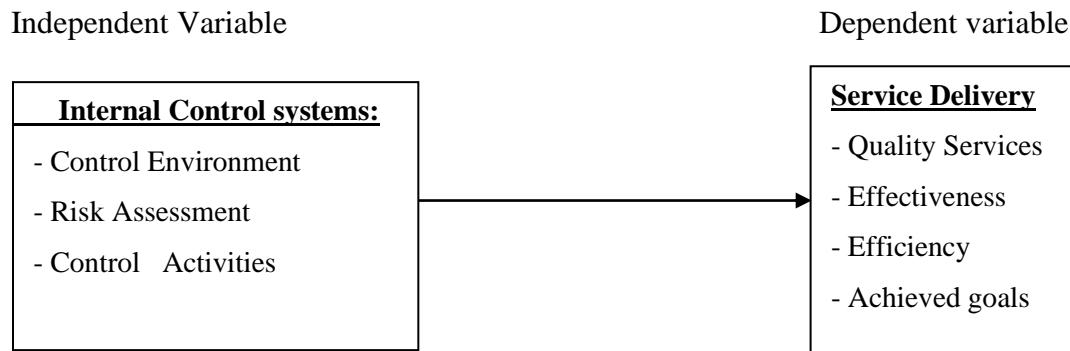
Policy makers: It is to enable Source of the Nile Hotel policy makers redesign effective measures, procedures and strategies on best ICSs / Financial Controls and get to know how best they can achieve good service delivery in hotel industry as a response to the claims in their monitoring reports. Via assisting The Source of the Nile Hotel policy makers in its redesigning, it is to enable business men in the Hotel to completely do away with shoddy contracts and kickbacks all of which would reduce their reputation thus profits resulting in reduced growth in wealth.

Library Users and Scholars: This study is to be of immense benefit to academicians who need information from this study as part of their literature review while carrying out other researches on Financial Control and service delivery in the hotel industry.

1.8 Conceptual Framework for the study

The figure showing the conceptual framework is shown below;

Figure 1.1: The Role of Internal Control Systems on Service Delivery.



(Source: Adopted from Charles worth Author services, 2021)

The above is a conceptual framework that shows the relationship between Internal Control Systems and service delivery. It is conceptualized that service delivery depends on Internal Control Systems as means to improve. Service delivery has indicators of availability of quality services, effectiveness, efficiency and achieved goals. The Internal Control System has dimensions of control Environment, Risk assessment and Control Activities. It is therefore hypothesized that a well-functioning internal control environment, positively contributes to enhanced service delivery by the Extraneous Variable Level of revenue, Staff turnover, Availability of infrastructure and assessment. Control activities and Risk Assessment. Similarly, the framework suggests that efforts to conduct risk assessment positively contribute to enhanced service delivery by the organization. Moreover, it is conceptualized that a well-functioning internal control monitoring system positively contributes to enhanced service delivery by the hotel. On the converse, weak internal control environment, risk assessment, and monitoring constrain service delivery in the organization. Thus, any efforts to enhance service delivery should focus on strengthening the internal control environment, risk assessment and monitoring.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

Chapter two reviews internal control system studies and service delivery outcomes with a view of providing theoretical answers to the study research questions based on previous studies and identifying literature gaps to be filled. The first section presents the definition of key terms. The empirical themes are based on the study objectives of control environment, risk assessment, monitoring and service delivery.

2.1 Definition of key terms

This subsection defines the key concepts of internal control systems, its components, service delivery and its associated indicators and how they are used in the study.

2.1.1 Internal control

Internal control may be defined as the whole system of controls, financial and otherwise, established by the management in order to carry on the business of the company in an orderly manner, safeguard its assets and secure as far as possible the accuracy and reliability of its records. It has been observed that the concept of internal control goes beyond financial and accountancy matters and the custody of company assets to include controls designed to improve operational efficiency and ensure adherence to company policies. The board of directors should have the responsibility for approving strategies and policies and ensuring that senior management is monitoring the effectiveness of the Internal Control System (Basley, 2016).

Amudo and Inanga, (2009) define Internal control system as comprising of the control environment and control procedures adopted by directors and management of an organization in achieving its objectives by ensuring practical, orderly and efficient conduct of an organization. This may include adherence to policies, safeguarding assets, prevention and detection of fraud accuracy and competences of accounting records and timely preparation of financial reports. According to Cieslewicz, (2006) Internal Control is defined as all the policies and procedures adopted by the directors and management of an entity to assist in achieving their objective of ensuring, as far as practicable, the orderly and efficient conduct of its business, including

adherence to internal policies, the safeguarding of assets, the prevention and detection of frauds. According to Swamy (2014), internal controls in accounting system serves the function of ensuring that all transactions carried out are sanctioned and authorized by management. This is important because all activities of the organization are performed in line with the laid down policies. All transactions should be accounted for in the relevant books of accounts regularly, achieved. The concept of reasonable assurance recognizes that no structure is perfect and that the cost of the entity's internal control should not exceed the benefits to be derived.

2.1.2 Service delivery

Service Delivery According to Parasuraman *et al* (2015), service quality is an attitude or judgment concerning the excellence of a service rendered to a customer. In order for an organization to be competitive, it must strive to attain a level of quality in services it delivers that exceed the expectations of customers. The quality of service is a critical factor that determines the success or failure of service organizations. As Moody (2005) states, Quality is the total characteristics of an entity that bear on its ability to satisfy stated and implied needs.

Quality service implies the degree of excellence which infers to nil defect of a service or product. Quality of service is also customer's perception or judgment of the inconsistency between the service provided and service expected (Caruana, 2002). Players in the hospitality and other service industries are striving to discover ways enhance their delivery of service that are superior and capable of meeting customer requirements hence customer satisfaction. Apparently, satisfying the needs of customers is a top priority of every hotel business organization that recognizes customers as their greatest resource and reason for their survival. Within the hospitality industry, businesses are investing incredible effort and time to assess and enhance the quality of services they render to customers. This is because they understand the importances of quality in ensuring customers are satisfied.

Delivery of quality services in a consistent manner is a sure way of the organization gaining a competitive edge. The organization requires an informed understanding of the needs and expectations of its customers and the types of what the customer's perception of quality. Furthermore to this, the organization should be fully aware of all factors that influence the desired

service level, adequate service level, and zone of tolerance which will help service organizations consistently meet and exceed service expectations of customers. It is also important for the organization to understand that customers compare the perceived quality of services with expected quality of the same service. Therefore, service organizations must make deliberate efforts to acquire the necessary knowledge about customer perceptions and the influence of factors such as service encounter, service evidence, appearance and image of the service organization and more importantly the customer's perception of the price of the service.

2.2 The effect of Control Environment on Service Delivery

In Internal control, the control environment sets the tone of the organization by influencing the control consciousness of its people (Whittington & Pany, 2001). Control environment is the foundation for all the other components of internal control. It comprises of factors like; integrity and ethical values of personnel tasked with creating, administering, and monitoring the controls, commitment and competence of persons performing assigned duties, board of directors or audit committees, management philosophy and operating style, and organizational structure.

Many factors go into control environment but this component is highly influenced by the effectiveness of the board of directors, the management, and the audit division of the organization. Internal auditors are essential to effective control environment since the effectiveness of these factors largely depends on their interaction with the internal and external auditor. Control environment sets the tone of an organization, influencing the control consciousness of its people (Aldridge and Colbert, 1994). It reflects the attitude and policies of management in regard to the importance of internal controls in revenue generation. In addition, control environment is influenced by the history and the culture of organization and has an insidious influence on the way organization activities are structured. It thus sets a positive and supportive attitude toward internal control and conscientious management.

A review of extant literature shows that a number of studies have been carried out on control environment Umar *et al.* (2018), investigated the effect of internal control systems on the performance of commercial banks in Nigeria, a survey design was employed and 382 respondents selected using stratified random sampling. A questionnaire method was used to collect data which was analyzed using Statistical Package for the Social Sciences (SPSS) Version.

The findings of the study revealed a positive and significant relationship between control environment and bank performance. Kayondo (2018) examined a study of Internal control system and Service Delivery in the Health Service Sector of Uganda a Case of Masaka District Local Government and objectives were on control environment, control activities, Monitoring and evaluation and a case study design and had a study population of 202 and a sample size of 133 which was derived from the Krejcie and Morgan sampling table (1970). Stratified random and purposive sampling methods were used by the researcher in data collection. The empirical

data was analyzed both quantitatively and qualitatively to examine the relationship between internal controls and health service delivery. The findings of the study indicated that control environment have a positive and significant effect on health service delivery.

Banura (2018) examined the relationship between internal control system and education service delivery in Busia Municipal Council in his study. A case study design was adopted, a study population consisted of 138 respondents and questionnaire, interview guide and documents review methods were used to collect data, analysis was done using descriptive statistics of mean and standard deviation, correlation and regression analysis.

The study found a moderate positive significant relationship between internal control environment and hospitality service delivery. It sets the ambience of the enterprise through impinging on the control awareness of its individuals (Whittington and Pany, 2001), and it is the basis for every other internal control aspect. It embroils aspects like; truthfulness and moral standards of people charged with crafting, overseeing, as well as evaluating the controls, assurance and proficiency of people undertaking delegated tasks, administration viewpoint and functional approach, as well as organizational structure. Several aspects discuss control environment however this aspect is greatly impinged on by the Board of Directors' efficiency, the administration, and the enterprise's audit unit. Internal auditors are key to the success of control environment as the efficacy of these elements is greatly subject to their relationship with the internal as well as external auditor. Control environment establishes the ambience of an enterprise, impelling the control awareness of its entities (Aldridge and Colbert, 1994). Also, it is influenced by the enterprise's principles and history and takes a devious bearing on the manner that an enterprise's undertakings are organized.

In explaining the tenets of control environment in an organization, Kamau (2014) shows that control environment includes a financial and accounting system, managerial commitment to system operations, monitoring and implementation of internal control systems, and clear channels of communication between supervisees and supervisors. Similarly, Josiah (2013) adds that organizations with effective control environments report superior supervision of workers, efficient operations, complete transaction reduced risks, proper coordination of departments, and proper delegation. However, the benefits of internal controls as portrayed by Kamau and Josiah lack a contextual perspective of public health facilities.

2.3 The effect of Risk Assessment on service delivery

Risk assessment refers to the careful assessment of factors that affect the possibility of objectives of the organization not being achieved. It refers to the identification and analysis of relevant risks associated with achieving the objectives of the organization (Karagiorgos *et al.*, 2009). They add that risk assessment is the process of identifying and analyzing management relevant risks to the preparation of financial statements that would be presented fairly in conformity with general accepted accounting principle. In organizations, management must determine the level of risk carefully to be accepted, and try to maintain such risk within determined levels. It is therefore the management's responsibility to design internal controls to ensure efficiency and effectiveness, reliability of financial reporting as well as compliance with laws and regulations. This is ensured by periodic performance review and evaluation of the adequacy and effectiveness of the controls designed by the internal auditor department.

Investigation was carried out on the effect of internal control systems on the performance of commercial banks in Nigeria Umar, D. *et al* (2018). A survey method was employed and the study used stratified random sampling, in which a total of 382 were chosen. They collected data using questionnaire method and data was analyzed using Statistical Package for the Social Sciences (SPSS) version 23. The findings of the study revealed a positive and significant relationship between risk assessment and bank performance.

Mwazo *et al* (2017) conducted a study on the role of internal control system on service delivery in the National Treasury of Taita- Taveta County in Kenya. The study adopted a descriptive research design. The population of the study comprised 255 respondents, out of which a sample of 144 respondents was selected using stratified random sampling.

They collected data using the questionnaire method and analysis was performed using SPSS 21. The results of the multiple regression analysis revealed a positive relationship between risk management system and service delivery. Much as the results of this study are beneficial to the current research, the researcher will employ a case study design where both quantitative and qualitative approaches will be applied.

The relationship between internal control system and education service delivery in Busia Municipal Council was examined by Banura W. (2018), a case study design was adopted, and a population sample of 138 respondents were used, a questionnaire, interview guide and documents review methods were adopted for data collection. Data was analyzed using descriptive statistics of mean and standard deviation, correlation and regression analysis. The study revealed a high positive significant relationship between risk assessment and education service delivery.

As stated by Menon and Williams (2010) this internal control element underlines the role of administration prudently recognizing and examining aspects that could prevent it from goals attainment. Risk assessment is the recognition and investigation of their related risks to attainment of the goals, forming a ground for the manner in which risks ought to be controlled. As economic, market, monitoring and operational situations will keep on changing, ways are necessary to recognize and tackle the distinctive risks linked with transformation (Crerar, 2007). It is similarly organized procedure for incorporating specialized decision regarding likely hostile situations and happenings, and evaluating the possibility of likely financial and non-financial damages attributed to their happening (Morris, 2011). The second internal control guideline focuses on risk evaluation. Internal control ought to offer for the risk evaluation the organization encounters from internal as well as external origins. After risks have been recognized, they must be inspected for their likely weight.

While there is little research on risk assessment on service delivery in private institutions (Rehman, Ramzan, Hwang, & Kim, 2021), attempt to relate the two concepts. The authors used risk assessment to mediate the relation between corporate governance and service delivery. The results indicate that risk assessment partially predicts performance in goal oriented firms. Mormul (2021) investigated risk assessment control in Poland and found low understanding of risk management among employees. The study identified the need for training employees on management control systems. This study focused on control systems in local government and ignored performance. Besides, the findings in Poland may not be transferable to Kabale. From a public sector context, (Eleftheriadis & Vytas, 2018) examined measurement of risk and performance of public organizations. The study found a significant relation between risk

assessments on service delivery. The effect was mostly influenced by economic risk. This study was based on public sector in Greece. From Kenya, (Ahmed & Ng'angas, 2019) show that risk assessment is a significant predictor of performance of County governments. The predictive influence is mostly observed in risk identification.

2.4 The effect of Control Activities on Service Delivery

Control activities refer to policies, procedures, and mechanisms put in place to ensure directives of the management are properly carried out (Aikins, 2011; Rezaee *et al.*, 2001). Appropriate and accurate documentation of policies and procedural guidelines helps to determine how the control activities are to be executed. It also provides adequate information for auditors' examination of the overall adequacy of control design over financial management practices (Aikins, 2011). These control activities ensure that all necessary actions should be taken with the aim to address risks so that organizational objectives are achieved. According to Rezaee *et al.* (2001), internal control activities occur throughout the organization. They include a range of activities like; approvals, authorizations, verifications, reconciliations, reviews of operating performance, security of asset and segregation of duties. Most of them are made possible through the help of the internal audit function.

Furthermore, an investigation by Umar, D. *et al* (2018) portrayed the effect of internal control systems on the performance of commercial banks in Nigeria. A survey design was employed 382 respondents were selected using stratified random sampling. Questionnaire method was administered for data collection. Statistical Package for the Social Sciences (SPSS) version 23 was used for data analysis. The findings of the study revealed that control activities have a positive and significant relationship.

Kayondo, B. (2018) examined a study of Internal Control System and Service Delivery in the Health Service Sector of Uganda a Case of Masaka District Local Government. The study adopted a case study design and had a study population of 202 and a sample size of 133 which was derived from the Krejcie and Morgan sampling table (1970). Stratified random and purposive sampling methods were used by the researcher in data collection. The empirical data was analyzed both quantitatively and qualitatively to examine the relationship between internal controls and health service delivery. The key findings of the study indicated control activities have a positive and significant effect on health service delivery.

Banura, W. (2018) examined the relationship between internal control system and education service delivery in Busia Municipal Council a case study design was used. A study population of 138 was adopted. Questionnaire, interview guide and documents review were used for data

collection, data was analyzed using descriptive statistics of mean and standard deviation, correlation and regression analysis. The study revealed a high positive significant relationship between risk assessment and education service delivery.

Control activities are another component of internal controls Whittington and Pany (2016), they found out that control activities are policies and procedures that help ensure that management directives are carried out. Controls activities in an organization basically comprise of performance reviews which involves comparing actual performance with budgets, forecasts, and prior period performances. Information processing: (necessary to check accuracy, completeness and authorization of transactions). Physical controls: (necessary to provide security over both records and other assets) and segregation of duties: (where no one person should handle all aspects of a transaction from the beginning to the end).

In private sector organizations, approvals and authorizations help in detecting potential areas of fraud and prevent them accordingly since many officers are involved in the transaction process from initiation to completion (Dickens, 2016). By so doing, the organization streamlines transactions and enforces accountability (BCBS, 2010). One of the control activities is segregating duties. According to Russell (2009), segregation of duties requires that one person in the organization is in charge of transactions, making sure that the transaction is complete. In large organizations, duties are spread across individuals and departments to reduce the level of funds misappropriations (Etuk, 2011). In another usage, segregation of duties reduces role ambiguity in the sense that different roles are assigned to different individuals and offices during the transaction process Kamau (2014). The entire essence of segregation of duties is to monitor the accounting process and check for any chances of occurrence of error. In the long run, the organization is capable of avoiding error at whatsoever cost, which makes all employees get involved in reducing errors and mistakes.

2.5 Summary of Literature Review

This chapter reviewed existing studies on internal control components of control environment, risk assessment, monitoring and its outcomes generally in the goal oriented firms and specifically on service delivery. The literature also points out significant challenges in implementing internal control, a problem which limits the effectiveness of internal controls in achieving their objectives. In conclusion, it can be observed that the review of existing literature reveals an increasing interest in examining the internal control environment and this portrays a positive relationship to service delivery.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter explores the approaches the study used to gain information on the research and they included, the research design, area of the study, study population, sample size and sampling techniques, data collection procedures, data collection methods, data collection instruments, quality control, data management and processing, data analysis, ethical consideration and limitations of the study.

3.2 Research Design

This study adopted a descriptive cross-sectional study design with a quantitative method to carry out an investigation on the relationship between internal controls and service delivery in Source of the Nile Hotel Jinja. According to Saunders *et al* (2014) cross-sectional study design is carried out once and therefore represents a snap shot of one point in time.

3.3 Study population

The researcher obtained information from the case study. The researcher then involved all these categories in the study because she assumed as if they had all the study information. The total number of the study population was (90) people at the Hotel.

The study population therefore included that respondents from different departments at the Company including; head of departments, Supervisors, Housekeeping, Security guards, Catering and service department that have been selected during the study process in the study area.

3.4 Sample size

A sample size of 74 respondents was selected from the study area using statistical tables of Yamen's formula (1967). The sampling approach is as shown in table 1 below.

Table 1.1: Showing category of respondents as well as the Sample size

Category of respondents	Study population	Sample size	Sampling Technique
Head of departments	2	1	Purposive sampling
Housekeeping	50	45	Simple random Sampling
Catering department	23	15	Simple random Sampling
Supervisors	5	5	Purposive sampling
Receptionists	5	4	Purposive sampling
Security department	5	4	Purposive sampling
Total	90	74	

Primary source, 2023

The study used a sample size of 74 respondents because as it is large enough compared to the study population of Source of the Nile Hotel

A sample of 90 respondents from a population of 74 was selected randomly using Yamane's formula (1967)

$$\text{Sample size (n)} = \frac{N}{1+Ne^2}$$

Where,

n= Expected sample size

N= Target population

e= The error in the estimation, normally computed at 95% confidence

$$n = \frac{90}{1+90(0.05)^2} = 74$$

3.5 Sampling techniques and procedures

The study used purposive sampling during the process of data collection from the study respondents. The study used purposive sampling technique since it was to enable the researcher to select a sample with experience and knowledge about the study variables and this method was used to select all the study respondents.

3.6 Data sources

Concerning data sources, both primary and secondary data were used as the main sources of data used in the study.

3.6.1 Primary data

Primary data involved use of a questionnaire guide method. During the collection of this data, the researcher had to approach the study area with the research tools as she got responses as per the study respondents. Such data was used to analyze the problem that was at hand.

3.6.2 Secondary data

The researcher collected secondary data from different sources like; text books, internet, newspaper, magazines, and journals that were found at Source of the Nile Hotel. This information was reviewed by visiting places like libraries and internet cafes and this type of information was used to supplement collected data from different categories of the respondents during data collection.

3.7 Data collection and instruments

3.7.1 Questionnaire

The questionnaire tool was close ended in nature and was self-administered where the researcher had to fill the questionnaire in the study field as per respondents' responses. The tool was used to collect information from the employees and customers. The questionnaire method of data collection was used because of being cheap and that the method could enable the research collect responses with minimum errors and a high level of confidentiality.

3.8 Study Variables and their measurements

The study constituted of two variables as; Internal Control Systems as an independent variable while service delivery of private sector organizations as a dependent variable. Internal control systems were measured by the internal controls used that included; preventative controls, detective controls, corrective controls, control environment, risk assessment, control activities, information and communication as well as monitoring. However, during the study, performance was commonly measured by the amount of revenue collection, service delivery, expenditure performance, value for money among other measures that were thought of during the process of undertaking the study.

3.9 Data analysis

Editing of collected data was done to make the data ready and simpler for presentation. The filled questionnaires were edited one by one to correct errors that were done by the study respondents. Data was edited in order to check for accuracy, completeness, consistency and uniformity and presentation of data involved use of tables which were generated from the questions that were relevant to the study variables.

The edited data was then analyzed quantitatively. Quantitative data was grouped and statistical descriptions such as tables showing frequencies and percentages for better interpretation. However, qualitative data were analyzed in a way of identifying the responses from respondents that was relevant to the research problem and such data was analyzed by explaining the facts collected from the field under which the researcher was able to quote respondents' responses.

3.10 Ethical consideration

The researcher had to respect human dignity by not revealing the identity of the respondents in the study. Under here, letters of introduction were got from the supervisor seeking for permission to conduct the study after being directed by the supervisor to do so. These letters were presented to the respondents in the study area for permission to conduct the study. Once the permission was granted, the researcher was able to distribute the questionnaires to the respondents in addition to interviewing them and the next stage after was analyzing the data collected from the study respondents.

3.11 Limitations of the study

The study was limited by finances as it was not enough to cater for secretarial services. The researcher however got some financial support from the sponsors or relatives that supported her during the research study.

CHAPTER FOUR

PRESENTATIONS, ANALYSIS AND INTERPRETATION OF FINDINGS

4.1 Findings of the study

This chapter presents the study findings on Internal Control System and service delivery in Source of the Nile Hotel. The first section presented response rate, this is followed by background information about the respondents and finally descriptive and inferential presentation and analysis of the study findings in relation to specific objectives.

4.1.1 Response rate

The response rate for this research was 90% which was high. Amin (2005) suggested that a high response rate also suggests more accurate survey results.

Table 4.2: Response Rate

Category	Questionnaires issued	Questionnaires returned	Response rate (%)
Manager	1	1	1
Head of departments	1	1	1
Supervisor	4	2	4
Cooks and food servers section	15	10	13
Cleaners and laundry section	45	45	61
Receptionist section	4	4	5
Security personnel	4	4	5
Total	74	67	90

Source: Primary data

According to the table above, the survey response rate showed that out of the 74 questionnaires issued out only 67 were returned accounting to 90% response rate.

This section gives the number of people who responded to the study against those which the researcher had targeted and also the characteristics of the respondents in relation to gender, age and level of education. This was based on the information provided in the questionnaire and interviews by the respondents.

4.2 Demographic findings of the study

4.2.1 Gender of respondents

The findings for gender composition of respondents in Source of the Nile Hotel survey are represented in the table below;

Table 4.3: Gender of respondents

Gender	Frequency	Percentage (%)
Male	27	40.3
Female	40	59.7
Total	67	100.0

Source: primary data

The findings show that majority of the respondents were female constituting 40(59.7%), while their composition of the male counterpart was 27(40.3%). The demographics show that more of female were staff of the Source of the Nile Hotel than male.

Table 4.4: Respondents' age group

Age group	Frequency	Percentage (%)
21-30years	48	71.6
31-40years	15	22.4
41-50years	2	3.0
Above 50 years	2	3.0
Total	67	100.0

Source: primary data

The findings in table above shows that majority of the respondents are in the age group of 21-30years 48(71.6%), followed by 31-40years age group 15(22.4%), and age group 41-50years and

above 50years both constituting 2 (3.0%) of the total age composition. The age group clearly depicts the youth recruitment policy to the staff used by the Source of the Nile Hotel.

Table 4.5: Respondents education level

Education level	Frequency	Percentage (%)
Primary level	2	3.0
Secondary level	17	25.4
Certificate level	18	26.9
Diploma level	18	26.9
Bachelor's level	10	14.9
Masters' level	2	3.0
Total	67	100.0

Source: primary data

The findings in the table above explains that majority of the respondents had at least a certificate or diploma with both scoring 18(26.9%), this was closely followed by respondents with secondary level education constituting 17(25.4%), bachelors level 10(14.9%), and finally both masters level and primary level having 2(3%). The findings imply that at least all staff had acquired a substantial level of education before they are recruited in the Source of the Nile Hotel.

Table 4.6: Time spent working for the Source of the Nile Hotel

Time spent at work	Frequency	Percentage (%)
1-5years	53	79.1
6-10years	1	1.5
10-15years	13	19.4
Total	67	100.0

Source: primary data

Findings on the time spent by different individuals in the organization showed that majority 53(79.1%) stated they had been in the Source of the Nile Hotel for a time period of 1-5years, followed by those who had stayed for 10-15years (13%) and finally those in the range of 6-10years scoring 1(1.5%). These findings indicated that there is a balanced stay at the

organization and retention levels in a time span of a decade is stable at all levels of staff recruitment.

4.3 The effect of Control Environment on service delivery:

The findings were rated basing on a Likert scale of 1: Strongly Disagree, 2: Disagree, 3 = Not sure, 4 = Agree and 5 = Strongly Agree.

Table 4.7: Table showing findings of Control Environment on service delivery:

A	The effect of control environment on service delivery	Mean	Std. Deviation
	Control environment promotes adherence to laws, regulations, and internal policies.	4.0	0.957
	Control environment includes controls that determine and detect fraudulent activities.	4.0	1.118
	Control environment reduce the risk of fraud and financial mismanagement.	4.0	1.077
	Control environment includes processes and procedures that promote efficiency and effectiveness in operations.	4.0	1.146
	Control environment including separation of duties lead to low chances of engaging in fraudulent behaviors by employees.	4.0	0.957
	Control environment enhances the accuracy and reliability of financial reporting processes.	3.1	1.126
	Control environment promotes effective risk management practices within an organization.	3.0	1.248
	Total	26	7.629

Source: primary data

The findings in the table above show the effect of control environment on service delivery. According to the survey majority of the respondents agree that control environment promotes adherence to laws, regulations and internal policies, followed by those who strongly agree, not sure, strongly disagree and disagreed respectively. The findings recorded an average mean value of 4.0 and the standard deviation of 0.957.

Accordingly, the findings on the fact that control environment includes controls that determine and detect fraudulent activities show that majority agree, followed by those who strongly agree, not sure, disagree and finally strongly disagree. An average mean value of 4.0 was registered and a standard deviation of 1.118.

Findings on the fact that the control environment reduces the risk of fraud and financial mismanagement showed that majority agree to the statement, strongly agreed, were not sure, strongly disagree and disagree. The average mean value was 4 while the standard deviation was 1.077.

The survey on the fact that control environment includes processes and procedures that promote efficiency and effectiveness in operations. Majority agreed, followed by those who strongly agree, not sure, disagreed and strongly disagree to the statement. An average mean value of 4.0 and a standard deviation of 1.146 were recorded.

Findings on the fact that control environment including separation of duties leads to low chances of engaging in fraudulent behaviors by employees showed that majority agree, others were not sure, strongly agree, disagreed and strongly disagreed. The average mean value was 3.0 and the standard deviation was 0.957.

Findings on the fact that control environment enhances the accuracy and reliability of financial reporting processes showed that majority agree, strongly agree, were not sure, disagree and strongly disagree. An average mean value of 3.1 and a standard deviation of 1.126 were recorded.

Finally, findings on whether control environment promotes effective risk management practices within an organization showed that majority agree, strongly agree, were not sure, disagree and strongly disagree. The average mean value was 3.0 and a standard deviation of 1.248 was recorded.

In conclusion, the results imply that service delivery at the Source of the Nile Hotel vis-à-vis the effect of control environment was highly impacted by the control environment that involves separation of duties leading to low chances of engaging in fraudulent behaviors by employees.

4.4 The effect of Risk assessment on service delivery

The findings were rated basing on a Likert scale of 1: Strongly Disagree, 2: Disagree, 3 = Not sure, 4 = Agree and 5 = Strongly Agree.

Table 4.8: Table showing findings of Risk assessment on service delivery

B	The effect of risk assessment on service delivery	Mean	Std. Deviation
	Risk assessment ensures that the hotel operates within legal and regulatory boundaries, which in turn safeguards its service delivery.	4.0	0.851
	Through effective risk assessment, the hotel can understand the potential impact of these risks and prioritize their resources to manage them appropriately.	4.0	0.778
	The risk relating system provides adequate quantitative data necessary for decision making.	3.0	0.873
	Effective risk mitigation strategies ensure that the hotel can protect their service delivery from adverse events.	4.0	0.973
	Inadequate risk management in financial investments can result in significant losses.	4.0	0.984
	Sound risk assessment and management practices can enhance stakeholder confidence and attract investment.	4.0	1.052
	Total	23.0	5.511

Source: primary data

Findings from the table above show that majority agreed that risk assessment ensures that the hotel operates within legal and regulatory boundaries, which in turn safeguards its service delivery. This was closely followed by those who strongly agree, not sure, disagree and finally none for strongly disagree. An average mean value of 4.0 and the standard deviation of 0.851 were recorded.

Accordingly, respondents' view on the fact that through effective risk assessment, the hotel can understand the potential impact of these risks and prioritize their resources to manage them appropriately showed that majority agreed, followed by those who strongly agree, not sure,

disagree and those who strongly disagreed. The average mean value of 4.0 and a standard deviation of 0.778 were registered.

In the same way findings showed that majority agreed that the risks relating system provides adequate quantitative data necessary for decision making. Followed by those who strongly agree, not sure, disagree and none for strongly disagree. An average mean value of 3.0 and a standard deviation of 0.873 were recorded.

The findings also show that majority agreed that, effective risk mitigation strategies ensure that the hotel can protect their service deliveries from adverse events. Followed by those who strongly agreed, were not sure, disagree and strongly disagree. An average mean value of 4 and standard deviation of 0.973 were recorded.

Findings on the effect of inadequate risk management in financial investment resulting into significant losses indicated that majority agreed, followed by those who strongly agree, not sure, strongly disagree, and least disagreed. The average mean value of 4 and the standard deviation of 0.984 were registered.

Finally, respondents reply to the fact that sound risk assessment and management practices can enhance stakeholder confidence and attract investment showed that majority agreed, strongly agreed, not sure, disagreed and strongly disagreed. The average mean value was 4.0 and the standard deviation was 1.052.

In conclusion, the findings imply that the effect of risk assessment on service delivery had a significant impact for it was evidenced that through effective risk assessment, the hotel can understand the potential impact of the risks and prioritize its resources to appropriately manage them.

4.5 The effect of control activities on service delivery

The findings were rated basing on a Likert scale of 1: Strongly Disagree, 2: Disagree, 3 = Not sure, 4 = Agree and 5 = Strongly Agree.

Table 4.9: Table showing findings of control activities on service delivery

C	The effect of control activities on service delivery	Mean	Std. Deviation
	Control activities provide reliable and timely information to support decision –making processes.	4.3	0.770
	Control activities minimize the risk of penalties, fines, and legal liabilities.	4.2	0.740
	Control activities act as a means by which an organization' resources are directed, monitored and measured.	4.2	0.850
	Control activities ensure that financial information from various sources is credible.	4.2	0.737
	Internal control systems are put in place in order to improve on service delivery.	4.1	0.663
	Control activities play a critical role in ensuring the accuracy and reliability of financial statements.	4.1	0.690
	They help maintain the integrity of financial data by enforcing proper recording, classification, and valuation of transactions.	4.1	0.876
	Control activities increase accountability.	4.0	0.984
	Effective control activities streamline operations and improve efficiency.	4.0	1.021
	Total	37.2	7.331

Source: primary data

Findings on the effect of control activities on service delivery showed that majority agree that control activities provide reliable and timely information to support decision making processes. Followed by those who are not sure, disagree, and none strongly disagreed. The average mean value was 4.3 and the standard deviation was 0.770.

Similarly, respondents' views on the fact that control activities minimize the risk of penalties, fined, and legal liabilities showed that majority agreed, followed by those who strongly agree, not sure, disagree, and none strongly disagrees. The average mean value was 4.2 and the standard deviation was 0.740.

Results on whether control activities act as a means by which an organization' resources are directed, monitored and measured showed that majority agreed to that fact, strongly agree, were not sure, strongly disagree and disagreed. The average mean value of 4.2 and the standard deviation of 0.850 were recorded.

Facts on whether control activities ensure that financial information from various sources is credible showed that majority agree, followed by those who strongly agreed, were not sure, disagree, and none strongly agrees. The average mean value was 4.2, and the standard deviation was 0.737.

Findings on whether internal control systems are put in place in order to improve on service delivery showed that majority agree to the statement, strongly agree, were not sure, disagree, and none strongly disagree. The average mean value was 4.1 and the standard deviation was 0.663.

Results on whether control activities play a critical role in ensuring the accuracy and reliability of financial statements showed that majority agree, strongly agree, not sure, disagree and none strongly disagree. The average mean value of 4.1 and the standard deviation of 0.690 were recorded.

In the same line facts on whether control activities help maintain the integrity of financial data by enforcing proper recording, classification, and valuation of transactions showed that majority agreed, followed by those who strongly agreed, disagree, were not sure, while none strongly disagrees with that statement. An average mean value of 4.1 and the standard deviation of 0876 were registered.

Findings on the fact that control activities increase accountability showed that majority agreed, followed by those who strongly agree, not sure, strongly disagree and disagree. The average mean value was 4.0 and the standard deviation was 0.984.

Finally, facts on whether effective control activities streamline operations and improve efficiency showed that majority agree, strongly agree, not sure, agree and strongly disagree. The average mean value of 4.0 and the standard deviation of 1.021 were recorded.

Conclusively it was observed that, the effect of control activities on service delivery is much felt by emphasizing that internal control systems are put in place in order to improve on service delivery with the highest score of those who agree with that control activities has a significant impact on service delivery at the Source of the Nile hotel.

4.6 Relationship between internal control systems and service delivery

The table below explains the correlation between the independent and dependent variable having a subsequent impact on overall service delivery in Source of the Nile Hotel.

Table 4.10: Correlation between internal control systems and service delivery

	CE promotes adherence to laws, regulations, and internal policies	Risk assessment ensures that the hotel operates within legal and regulatory boundaries, which in turn safeguards its service delivery.	Control Activities provide reliable and timely information to support decision making processes	Internal Control systems are put in place in order to improve on service delivery.
CE promotes adherence to laws, regulations, and internal policies	1	.346**	.322**	.339**
Risk assessment ensures that the hotel operates within legal and regulatory boundaries, which in turn safeguards its service delivery.	.346**	1	.276*	.014
Control Activities provide reliable and timely information to support decision making processes	.322**	.276*	1	.500**
Internal Control systems are put in place in order to improve on service delivery.	.339**	.014	.500**	1

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

The correlation analysis table above shows the correlation between internal control systems (independent variable) and service delivery (dependent variable). The correlation coefficient was .500** which is an averagely positive moderate relationship. Given that correlation coefficient is significant when the p-value is 0.00 or is less than significant level when ($\alpha = 5\%$). Here the study values concluded that there is an averagely positive relationship between the application of internal control systems and the level of service delivery at the Source of the Nile Hotel.

CHAPTER FIVE

DISCUSSION OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The study investigated the effect of Internal control and service delivery. This chapter presents a discussion, conclusions and recommendations of the study on Internal Control System and service delivery. The first section presents a summary of the study findings in relation to the specific objectives. This is followed by a discussion, conclusion and recommendations of the study in relation to the objectives of the study. Limitations of the study, contributions of the study and recommendations for further studies are also presented in this chapter.

5.2 Discussion of findings

5.2.1 The effect of control Environment on service delivery

According to research findings on the effect of control environment on service delivery, majority of the respondents agreed that control environment promotes adherence to laws, regulations and internal policies. However, the results also implied that service delivery at the Source of the Nile hotel vis-à-vis the effect of control environment was highly impacted by the control environment that involves separation of duties leading to low chances of engaging in fraudulent behaviors by employees because it had the overall highest response score. These findings are supported by Aldridge and Colbert, 1994 who asserted that, several aspects discuss control environment acting in line with the Board of Directors' efficiency, the administration, and the enterprise's audit unit. In this case, internal auditors are key to the success of control environment as the efficacy of these elements is greatly subject to their relationship with the internal as well as external auditor. Therefore, the control environment is able to establish the ambience of an enterprise, impelling the control awareness of its entities which is also influenced by the enterprise's principles, history and takes a devious bearing on the manner that an enterprise's undertakings are organized.

5.2.2 The effect of Risk assessment on service delivery

Research findings showed that majority agreed that risk assessment ensures that the Source of the Nile hotel operates within legal and regulatory boundaries, which in turn safeguards its service delivery. However, the effect of risk assessment on service delivery had a significant impact, for it was evidenced that through effective risk assessment, the Source of the Nile Hotel could understand the potential impact of the risks and prioritize its resources to appropriately manage them. According to Karagiorgos *et al.*, (2009), risk assessment is the process of identifying and analyzing management relevant risks to the preparation of financial statements that would be presented fairly in conformity with generally accepted accounting principles. In organizations, management must determine the level of risk carefully to be accepted, and try to maintain such risk within manageable levels. It is therefore the management's responsibility to design internal controls to ensure efficiency and effectiveness, reliability of financial reporting as well as compliance with laws and regulations. This is ensured by periodic performance review and evaluation of the adequacy and effectiveness of the controls designed by the internal auditor's department.

5.2.3 The effect of Control Activities on service delivery

Research findings on the effect of control activities on service delivery showed that majority strongly agree that control activities provide reliable and timely information to support decision making processes. However, it can be concluded that the effect of control activities on service delivery is much felt by emphasizing that internal control systems are put in place in order to improve on service delivery and with the fact that control activities has a significant impact on service delivery at the Hotel. These findings are supported by Whittington and Pany (2016), who noted that control activities are policies and procedures that help ensure that management directives are carried out. They found out, that controls activities in an organization basically comprise of performance reviews aimed at comparing actual performance with budgets, forecasts and prior period performance. They also identified that control activities involve information processing which is necessary to check accuracy, completeness and authorization during the transaction process. In the same way they argue that physical controls are also necessary to provide security over both records and other organizational assets and segregation of duties where no one person should handle all aspects of a transaction from the beginning to the end.

5.3 Conclusion

On the relationship between internal control systems and service delivery the correlation showed relatively high correlation coefficient in overall service delivery at Jinja Hotel. The correlation coefficient was found to be moderately positive. Therefore, it can be confirmed that there is a strong relationship between the types of internal control systems and the level of service delivery at the Source of the Nile Hotel.

5.4 Recommendations

The hotel should adopt the highest level of asset monitoring software to help it curb fraud coming as a result of misappropriated hotel assets.

Hotel supervisors should be given high payment and a strict code of conduct so that they do continuous monitoring and evaluation aimed at keeping a very high standard of operation.

Security systems and all necessary apparatus should also be upgraded, through adopting things like online surveillance cameras, drones, and screening of all bags and likely areas of bleaching internal control procedures.

Best customers should be awarded with tokens of appreciation on a yearly basis like trips abroad, television sets, phones so that customer's level of satisfaction are increased.

The management of the Source of the Nile Hotel should also carry out regular refresher courses to upgrade or update its staff of all its internal control systems in order to keep the system well organized and able to quickly respond to any queries of its customers.

5.5 Areas of further research

- a) The effect of credit accessibility on capitalization of Small and Medium Enterprises.
- b) The relationship between maintaining an effective supply chain on the profitability of a company.
- c) The role of an effective organizational structure on the performance of an organization.

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APPENDICES
Appendix I: Questionnaire
UGANDA CHRISTIAN UNIVERSITY
SCHOOL OF BUSINESS

A questionnaire for the staff and customers of Source of the Nile hotel in Jinja municipality

I am Mbeiza Norah a student of Uganda Christian University conducting a research study on “**Internal control systems and Service delivery**” using Source of the Nile hotel as my case study in Jinja Municipality as a requirement for the award of Bachelor’s degree in Business and Administration of Uganda Christian University.

I am kindly requesting you to assist me in this study by answering the following questions. I assure you that your information will be treated with utmost confidentiality.

SECTION A: Demographic Data

Please tick (✓) in the appropriate box as the most correct answer to the following statements.

1. Gender of the respondent.

Male Female

2. Age group of the respondent.

21-30 years 31-40 years 41-50 years above 50 years

3. Education level of the respondent.

Primary level Secondary level Certificate level

Diploma level Bachelor's level Masters Level

Others specify.....

4. For how long have you been working with this hotel?

1- 5 YEARS 6-10 YEARS 10-15 YEARS 16-20 YEARS

SECTION B

Rate your degree of agreement on the effect of internal control systems on financial performance of commercial banks using a scale of;

1= Strongly disagree, 2=Disagree, 3=Not sure, 4=Agree and 5=Strongly agree.

A	The effect of control environment on service delivery	1	2	3	4	5
	Control environment including separation of duties lead to low chances of engaging in fraudulent behaviors by employees.					
	Control environment promotes effective risk management practices within an organization.					
	Control environment promotes adherence to laws, regulations, and internal policies.					
	Control environment enhances the accuracy and reliability of financial reporting processes.					
	Control environment includes processes and procedures that promote efficiency and effectiveness in operations.					
	Control environment includes controls that determine and detect fraudulent activities.					
	Control environment reduce the risk of fraud and financial mismanagement.					
B	The effect of risk assessment on service delivery					
	Through effective risk assessment, the hotel can understand the potential impact of these risks and prioritize their resources to manage them appropriately.					
	The risk rating system provides adequate quantitative data necessary for decision making.					
	Effective risk mitigation strategies ensure that the hotel can protect their Service delivery from adverse events.					
	Inadequate risk management in financial investments can result in significant losses.					
	Sound risk assessment and management practices can enhance stakeholder confidence and attract investment.					
	Risk assessment ensures that the hotel operates within legal and regulatory boundaries, which in turn safeguards its service delivery.					
C	The effect of control activities service delivery					
	Internal control systems are put in place in order to improve on service delivery.					
	Control activities play a critical role in ensuring the accuracy and reliability of financial statements.					
	They help maintain the integrity of financial data by enforcing proper recording, classification, and valuation of transactions.					

	Control activities act as a means by which an organization's resources are directed, monitored and measured.				
	Effective control activities streamline operations and improve efficiency.				
	Control activities increase accountability.				
	Control activities ensure that financial information from various sources is credible.				
	Control activities minimize the risk of penalties, fines, and legal liabilities.				
	Control activities provide reliable and timely information to support decision-making processes.				

Thank you

Appendix II: Data Collection Letter



UGANDA CHRISTIAN UNIVERSITY

A Centre of Excellence in the Heart of Africa

SCHOOL OF BUSINESS

1st Aug 2023

Permission granted
After September 2023

TO WHOM IT MAY CONCERN

Name: MBEIZA NORAH Reg. No. J2IBDS/413.

A bachelor's student who is seeking permission from your office to collect data for his/her dissertation titled

"INTERNAL CONTROL SYSTEM AND SERVICE DELIVERY."

We shall be grateful if you could render assistance to him/her in collecting the necessary data for his/her dissertation

The Uganda Christian University School of Business thanks you in advance

.....
Mukisa Simon Peter

Research coordinator

