

# THE EFFECTIVENESS OF THE INTERNAL CONTROL SYSTEMS OF HILTON KUCHING

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## ABSTRACT

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Internal control is important in such a way that it safeguards the company's assets. It is the responsibility of director to implement sound internal control systems so that the organization can run efficiently.

The objective of this research is to determine the effectiveness of internal control systems of Hilton Kuching, a hotel situated in Sarawak, Malaysia. The research concentrates on the internal controls systems in 3 specific areas, namely purchases and trade creditors, sales and trade debtors and stocks.

Primary data of this research was collected through the Internet Control Questionnaire (ICQs) and interviewing the Conference and Banquet Executive of Hilton Kuching. The researcher also surveyed 30 hotels located in Malaysia. Secondary data was collected through auditing textbooks, the Association of Chartered Certified Accountant Students' Newsletters and sources from Internet.

The data analysis technique used for the research is hypothesis testing. The alternative hypothesis is formulated to indict eth systems of internal control are effective, while the null hypothesis indicates the internal controls are ineffective.

This research concludes that the internal control systems of Hilton Kuching are effective. The decision for hypotheses testing is to reject null hypothesis and conclude that alternative hypothesis is substantiated. Recommendations were also given, indicating that the weaknesses found in the ICQs should be improved.