

## **Evaluation of the Effectiveness of Internal Audit in Greek Hotel Business**

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### **Abstract**

*There is currently considerable interest in the topic of internal audit and its contribution to exact management of any business economic resources. Within this framework of extremely fluid business environment, the research tested the hypothesis about the role of internal auditing for the business success. The main purpose of the present paper is not only to examine the issue in a theoretical level, but also to present empirical evidence for the interaction between components of internal control system and performance of internal auditing in Greek hotel business. According to up-to-date theoretical and empirical literature, the results point out that all components of internal audit are vital for the effectiveness of internal audit and consequently in the business survival and success.*

**Keywords:** Internal auditing, Internal Auditing, Accounting, Management, Hotel

**JEL Classification:** M40, M41, M10.

### **1. Introduction**

The globalization of economy, technological advancements, complexity of business and allegations of fraudulent financial reporting have recently sharpened the ever-increasing attention to internal controls and internal auditing (Karagiorgos et al., 2009). This developing role of the internal auditing is also reflected in its current definition, i.e. “internal auditing is an independent, objective assurance and consulting activity designed to add value and improve a company’s operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to

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