

The Relationship between Corporate Governance Approach and Internal Audit in Tourism Sector: An Application in Marmaris Region

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Extensive Summary

In the early 2000s, after the accounting scandals occurred in the world, businesses have undergone economic crisis and to overcome this crisis they have turned to different management approaches. One of these management approaches is corporate governance. Corporate governance approach has ability to organize business practices and business relationships between different interest groups in a reliable manner. Businesses with corporate governance approach need a major tool to ensure transparent activities, to provide clear, and accurate financial information. This tool is internal audit. Internal audit is an integral part of the corporate governance approach. It is an important tool for the basic principles of corporate governance in businesses in order to survive in an increasingly competitive and quasi-crisis environment. In order to increase the effectiveness of this approach, the adoption of corporate governance and having an effective internal audit are necessary factors. Adoption of corporate governance approach and having an effective internal audit for increasing the effectiveness of this approach are important factors for the tourism sector which is an essential sector in Turkey.

Therefore, the purpose of this study is to examine the relationship between internal audit and corporate governance approach in hotel businesses operating in the tourism sector and to identify differences of this relationship for hotels. Four- and five-star hotels were selected in the Marmaris region and a survey was conducted. In order to assess the survey data, the frequency analysis, Chi-square test and analysis of variance were applied.

The findings obtained from the survey are noteworthy. The relationship level between corporate management and internal audit, obtained from the chi-square test, is the one of these findings.

Two major results are gathered from this test. The first result is the significant relationship between the assurance activity of internal audit and such principles of corporate governance as accountability and responsibility. The second result is the statistically significant relationship between consulting activity of internal audit and the principles of corporate governance.

In this study, the importance levels of the principles of the corporate governance approach for the business managers are obtained from the frequency analysis. According to the results, managers attribute importance and apply the basic principles of corporate governance approach and internal audit activities. This is reflected by the variance analysis. The given importance level of corporate governance approach's principles and internal audit do not vary with the number of stars that the hotels possess.

This result implies that all of the hotels place importance on both corporate governance approach and internal audit. In addition, the high rate of participation in the survey is also perceived as a confirmation reflection of this result.