**Design two controls for each of the objectives listed below; one manual or partially-automated and one automated:**

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| --- | --- | --- |
| **Objective** | **Manual or Partially-Automated Control** | **Automated Control** |
| All purchase orders (POs) are recorded on the appropriate date. |  |  |
| Employees cannot approve their own purchase requests. |  |  |
| Requests for new users accounts on the Accounts Payable (AP) System are *appropriately* authorized. |  |  |
| Customers are not allowed to exceed their purchase limit. |  |  |
| Checks received are deposited timely. |  |  |
| Failed system backup jobs are detected and corrected timely. |  |  |
| Cash received for customer purchases (in stores) is complete and accurate. |  |  |

**Answers:**

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| --- | --- | --- |
| **Objective** | **Manual or Partially-Automated Control** | **Automated Control** |
| All purchase orders (POs) are recorded on the appropriate date. | AP Supervisor reviews all POs opened on a daily basis and checks for the date entered. | AP System automatically populates the date on day PO is created. Users cannot override. |
| Employees cannot approve their own purchase requests. | Authorizing managers must sign their approval on purchase requests. Buyers check signatures against a ‘signature page.’ | Authorizing manager logs onto AP system and clicks their approval. |
| Requests for new users accounts on the Accounts Payable (AP) System are *appropriately* authorized. | IT checks signature on request form against a ‘signature page’ to ensure it is appropriate. | Authorizing manager logs onto access request system and clicks their approval. |
| Customers are not allowed to exceed their purchase limit. | Sales clerk checks customers balance in AR System to ensure new order will not put customer’s AR balance above their credit limit. | AR System will not allow a new sales order in excess of the customer’s credit limit. |
| Checks received are deposited timely. | Treasury manager reconciles receipts against bank balance daily. | Accounting system performs reconciliation between cash balance and the bank via an interface with the bank’s systems daily, and sends alerts if differences are noted. |
| Failed system backup jobs are detected and corrected timely. | IT operator restores a file from each backup on a daily basis to ensure backups completed successfully. Backup problems noted are corrected and rerun. | Backup system validates backups. Any errors noted during backup process or from the evaluation sends alerts to IT operators, who correct and rerun any failed backups. |
| Cash received for customer purchases (in stores) is complete and accurate. | Sales clerk records price on sales receipt from price tag on product(s). | Point-Of-Sale (POS) system scans barcodes on products to record the price of products sold. Prices cannot be changed at registers. |