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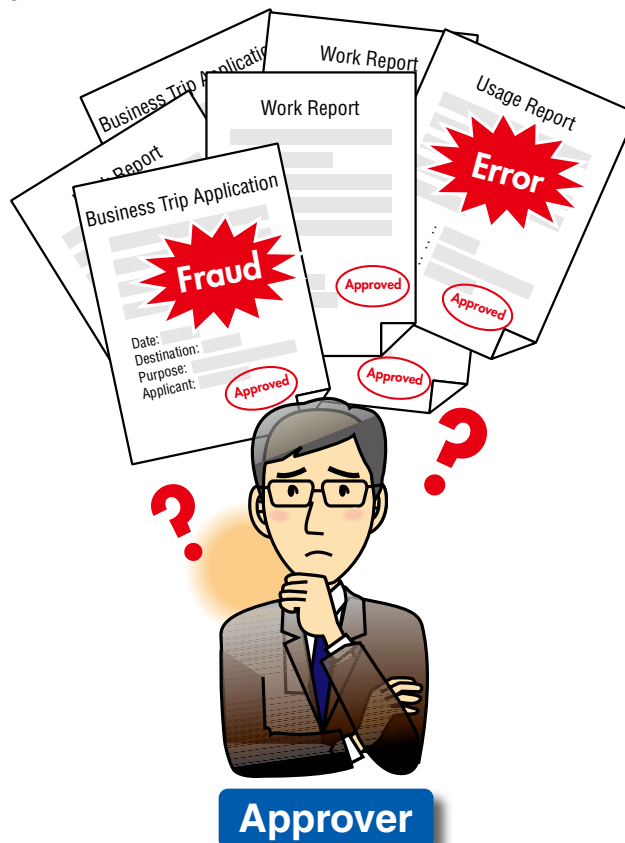
Business Function Activities Changed by Internal Controls

1 Strengthened Checks and Oversight

Checks and approvals are essential for mitigating risks within business functions, and they play an important role in maintaining appropriate business activities.

However, running real-world tests of check processes may reveal that they are not functioning as they should. Some checking processes turn out to be quite meaningless to the function, while other essential checks may have fallen into disuse.

If this is the case, the company must assess where and what kinds of checks need to be applied to the business function workflow, re-evaluate who carries out checks and to what purpose, and ensure that an effective system of checks is put into place.



Controls Can Change Your Business!

Now

- Application and approval are done by the same person.
- Approvals and checks are performed by someone who does not understand the work.
- Passwords are shared.
- Approval given by persons unauthorized to do so.

Inherent Risks

- Mistakes and fraud are not caught.
- Slow to discover problems.
- Fraudulent processing of business function.

Examples of Internal Controls

- Rules for checks and approvals required for each process are clarified. A procedures manual is drawn up for exceptional processes.
- Appropriate authority is invested in the approver.

Effects in the Business Function

- Business function is processed correctly, without mistakes or deliberate fraud.
- Effectiveness of checks is assured, with proofs.
- Problems are discovered early and solved quickly.
- Exceptional processes are dealt with in a uniform manner.

