Administrative Auditing

“Case: Lack of Internal Controls”

Audit Objectives”



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| **Group: F53A Date November 6th to 10th** | **Profra. Rosa María López Larios** |

**OBJECTIVE**: Identify consequences of lack of internal controls in an organization through different real examples

**INSTRUCTIONS**

Print the following case, read it and identify the consequences of not having implemented internal controls in the enterprise. Write your answers.

**SITUATIONS**

**ONE**

* One person has the authority to approve all forms of purchasing and receiving. These means that the maintenance supervisor fills out the requisition for approval of cleaning supplies and then after the approval process, also fills out the purchase order and signs it. Then after the purchase order is processed, the same individual is responsible for marking the items as received on the invoice or signing the receiving report.

Answer:

1. What should be the enterprise concerned about?
2. How would you fix all these deficiencies?
3. What should be the proper procedure?
4. What is the failure in segregation of duties?

**TWO**

* The employee that performs payroll functions is the same employee that performs and approves the bank reconciliations

Answer:

1. How would you fix this deficiency?
2. Which should be the proper procedure?
3. What is the failure in segregation of duties?

Prepare your report according to the specifications given in class