Internal Controls

Accounting & Finance

What controls do, and the limits of any control system.

Control types and their limits.

Types

- Segregation of duties
- Authorisation limits
- Physical access controls
- Reconciliations and reviews
- Automated system checks

Inherent limitations

- Collusion between staff defeats segregation
- Management override of any control
- Human error and fatigue
- Cost of controls versus benefit
- Controls for routine, not unusual, transactions

Management override is the limitation auditors take most seriously, because it defeats controls without leaving a control failure.