



CONTROLS MATRIX

The following provides a brief description of the different types of internal controls that would be present in a strong control environment.

1. Completeness

These are controls that attempt to ensure that no transactions are missing and that all transactions are processed through to their proper conclusion, eg record of sequence numbers, program validation to ensure that a field is not blank, financial control total.

2. Accuracy

These are controls that attempt to ensure that transactions are correct and that they are processed correctly within a system, eg program validation check that a numeric field contains only numeric, financial control total or hash total.

3. Authenticity

These are controls that attempt to verify the identity of the individual or process wanting to undertake some action within a system, eg passwords, personal identification numbers, digital signatures.

4. Authorisation

These controls ensure that only authorised transactions are processed. eg signatures on payment requisitions and payrolls.

5. Segregation

These are controls that attempt to strengthen the overall control environment by separating responsibilities for various tasks such that authorisation and review controls can operate effectively. For example the person receipting money and preparing the banking should not also have responsibility for reconciling the bank account. The person responsible for preparing the payroll should not be a cheque signatory.

6. Privacy

These are controls that attempt to ensure that data is protected from inadvertent or unauthorised disclosure, eg encryption, passwords, data compaction inference controls.



7. **Audit Trails**

Such controls are designed to ensure a chronological record of all events that have occurred in a system is maintained. This is supposed to assist in answering queries, fulfil statutory requirements, deter irregularities, detect the consequences of error, and allow system monitoring and tuning. The *accounting audit trail* shows the source and nature of data and processes that update the database.

8. **Effectiveness and Review**

These are controls that exist through proper segregation of duties and include the signing of reports to indicate they have been reviewed prior to and / or after processing. Controls can only be relied upon if they are evidenced. Therefore regular inspection of reports, such as receipts and payments listings, overdue fees and bank reconciliations, by the principals is important to install a strong control environment.