ASPIRE FOR EXCELLENCE FOUNDATION EMPOWERMENT SUMMIT 2019.

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DELIVERED BY

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…….the royal secretary and the high priest came, counted the money that had been brought into the temple of the LORD and put it into bags. When the amount had been determined, they gave the money to the men appointed to supervise the work on the temple…

2 Kings 12:10-11

DEVELOPING EFFICIENT CONTROL SYSTEMS

What is the meaning of EFFICIENT?

Achieving maximum productivity with minimum wasted effort or expense.



What are Control Systems ?

INTERNAL CONTROL

- Is the whole system of control, both financial and otherwise,

- established by the management in order to carry on the business of the enterprise, in an orderly and efficient manner,.

- ensure adherence to management policies, safeguard the assets and secure as far as possible the completeness and accuracy of the record

What are the Types of Internal Control ?

Business Entity Concept

- Transactions associated with a **business** must be separately recorded from those of its owners



Separation of Duties

- Concept of having more than one person required to complete a task. It prevents fraud and error.



Cash Control

- Managing and monitoring credit and collection policies, **cash** allocation, and disbursement policies, accounts payable policies and the invoicing cycle.



Approval Authority Requirements

- Requiring approval for large payments and expenses can prevent unscrupulous employees from making large fraudulent transactions with company funds





HIRE AN INDEPENDENT EXTERNAL AUDITOR

Provide their experienced opinion on the truthfulness of the company's financial statements



External Auditors can prevent or detect fraud other control systems may not have identified



There is always an audit firm your business can afford



Accounting System Access Controls

- Passwords, can keep unauthorized users out of the system while providing a way to audit the usage of the system





Physical Audits of Assets

- Hand-counting cash and any physical assets tracked in the accounting system, such as inventory, materials and tools



- Taking Monthly Stock





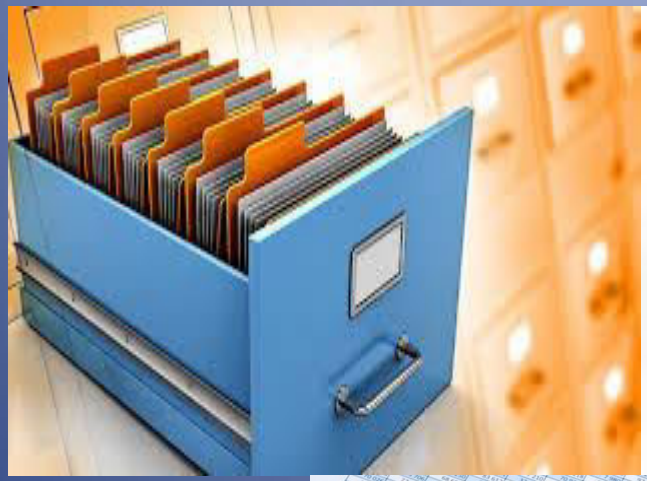
Stock Control

- Efficient stock control ensures that you always have the sufficient amount of stock.





Standardized Financial Documentation







Daily or Weekly Trial Balances

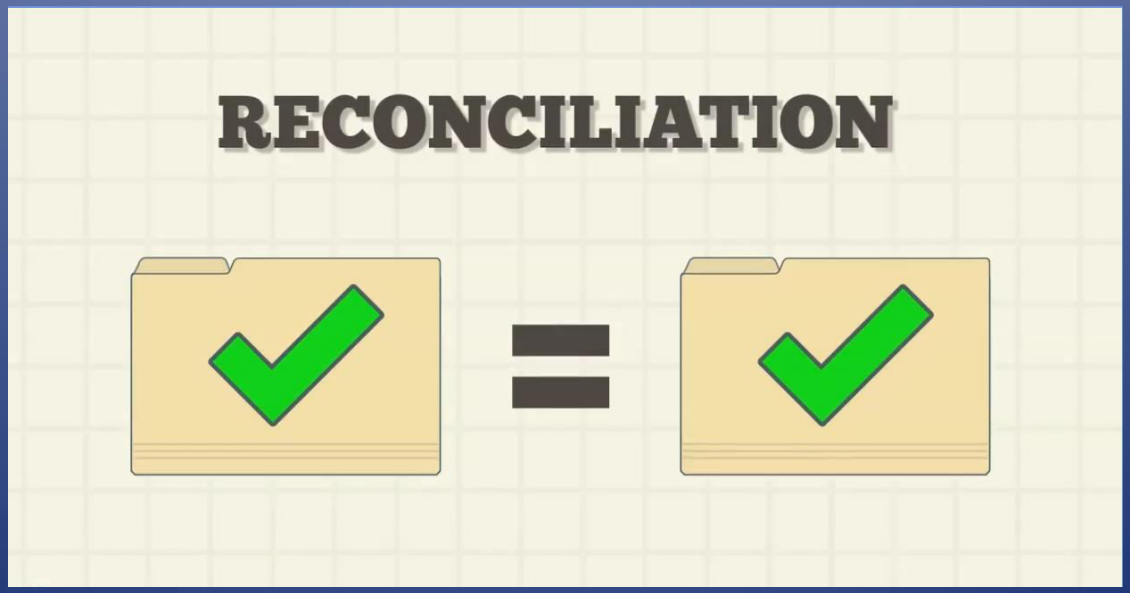
- Using an Accounting Software can provide regular insight into the state of the system, allowing you to discover and investigate discrepancies as early as possible.



Monthly Bank Reconciliations Reports

- This can reveal errors or discrepancies in your own accounts, or the errors may originate with the other entities.

CASHBOOK & BANK STATEMENT



Personnel Control

- Personnel should have capabilities commensurate with their responsibility.



INSURING YOUR CASH THROUGH EMPLOYEE BONDING

- An **employee** is **bonded** when a company purchases an **insurance** policy, or a **bond**, against losses from theft by that **employee**.



INSURING YOUR CASH THROUGH EMPLOYEE BONDING

- Good **internal control** means that assets are adequately **insured** against casualty and that those **employees** handling large amounts of cash and easily transferable assets are **bonded**



PROTECT EARLY. PROTECT CREATIVELY. PROTECT CAREFULLY

- Business or product idea are Protectable by trademark, copyright, patent, or trade secret.
- Requires different procedures to protect them from unfair competition and copycats,
- Intellectual property



BENEFITS OF EFFICIENT CONTROL SYSTEM

- More efficiently run organization
- To prevent waste, save cost
- Protecting your business against internal fraud
- to safeguard assets
- Support accurate financial reporting
- Accuracy and reliability of accounting data
- Boost revenue and increase profit.

TAKE CONTROL OF YOUR BUSINESS' HEALTH

- Strong internal controls increase the likelihood of achieving and maintaining business health.
- No internal control in the world is perfect
- Internal control is never perfect, hence it requires periodic review to strengthen and improve its effectiveness


Thank
you