

PINNACLE MANUFACTURING - Part III
Control Risk Matrix – Acquisitions

Transaction-Related Audit Objective Internal Controls*	Recorded acquisitions are for goods and services received (occurrence).	Existing acquisition trans- actions are recorded (complete- ness).	Recorded acquisition transactions are stated at the correct amounts (accuracy).	Recorded acquisition transactions are properly included in the master files, and are properly summarized (posting and summarization).	Acquisition transactions are properly classified (classification).	Acquisition transactions are recorded on the correct dates (timing).
1. Use of purchase orders (C1)	C					
2. Supervisor approval (C2)	C		C			
3. Documents have accounting system (chronological or numerical) (C3)		C				
4. Use of chart of accounts (C4)					C	
5. Functions are properly segregated (C5)	C					
6. Accounts payable master file total is reconciled to the general ledger total monthly (C6)				C		
7. Procedures are required to be completed in a timely manner (C7)						C
8. Ability to cancel documents (C8)	C					
9. Documents and records are verified by internal sources (C9)	C		C	C	C	C
Assessed control risk						

**PINNACLE MANUFACTURING - Part III
Control Matrix – Cash Disbursements**

<p>Transaction-Related Audit Objectives</p> <p>Internal Controls*</p>	<p>Recorded cash disbursements are for goods and services actually received (occurrence).</p>	<p>Existing cash disbursement transactions are recorded (complete- ness).</p>	<p>Recorded cash disbursement transactions are stated at the correct amounts (accuracy).</p>	<p>Recorded cash disbursement transactions are properly included in the master file, and are properly summarized (posting and summarization).</p>	<p>Cash disbursement transactions are properly classified (classification).</p>	<p>Cash disbursement transactions are recorded on the correct dates (timing).</p>
1. Segregation of Functions	C					
2. Documents are supported before signed by an authorized person	C					
3. Checks are prenumbered and accounted for		C				
4. Use of chart of accounts					C	
5. Procedures are promptly recorded						C
6. Accounts payable master file are reconciled monthly with General Ledger				C		
Deficiencies*						
1. Cash disbursement vouchers recorded numerically						D
2. Review/approval prior to general ledger account entries				D		
3. Cash Disbursement Clerk updates Accounts Payable master file				D		
Assessed control risk*						

* Note: This is a standard form to be used by students. There aren't necessarily 9 controls and 3 deficiencies in the case.

