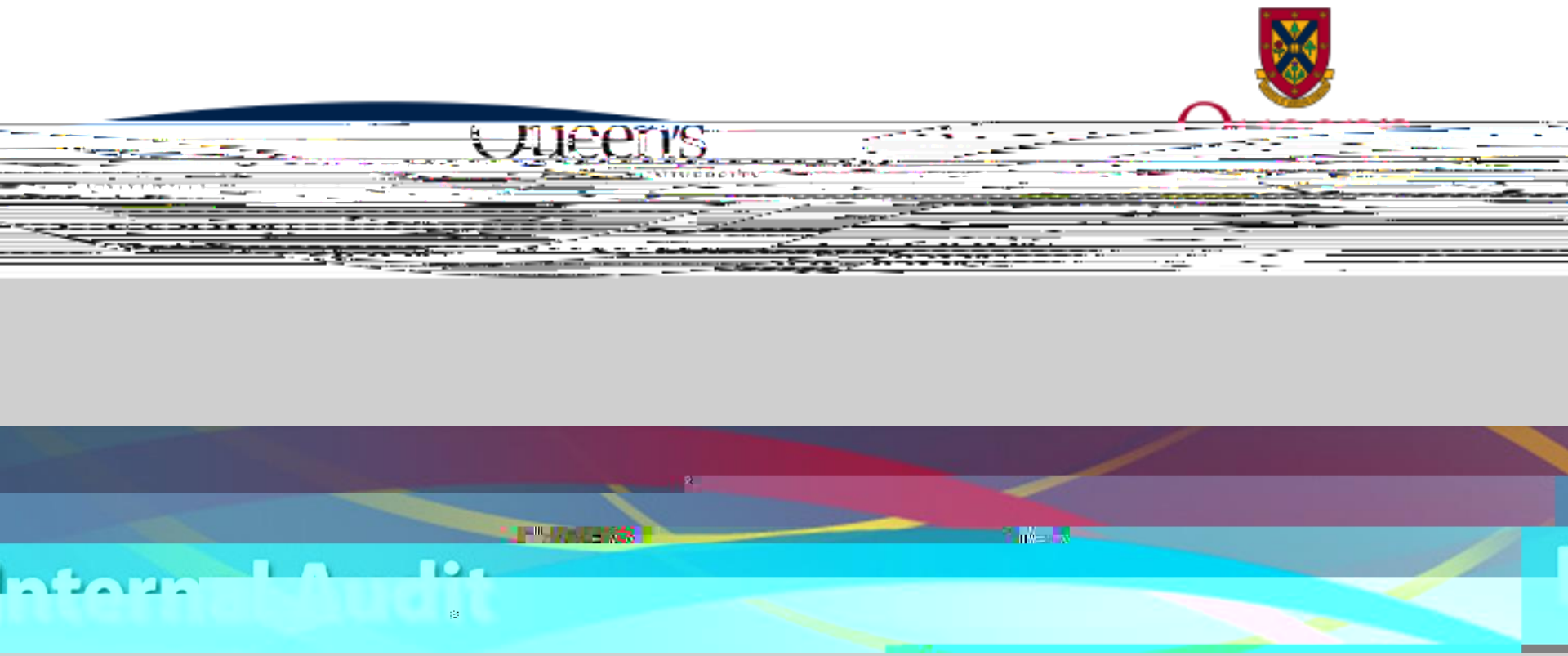
Queen's
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Internal Audit

Definition and Purposes of Internal Control

The Control Environment at Queen's

Control Processes

Consequences of Poor Control

“Any action taken by management, the board, and other parties to manage risk and increase the likelihood that established objectives and goals will be achieved.”

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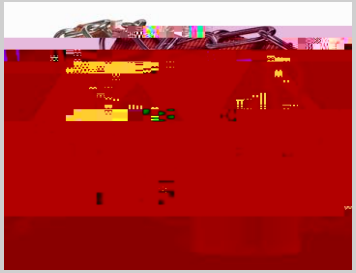
your home and vehicle.

bills and credit card statements before paying them.

children to ask permission before they can do certain things.

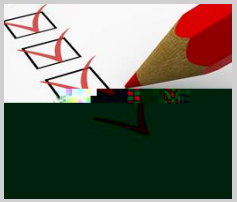


information and offices are locked each evening.

passwords are periodically changed and aren’t written down.

transactions are checked against source documents.

is required for certain activities.



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no matter how well designed and operated, can provide only reasonable - not absolute - assurance to management and the Board regarding achievement of objectives.

The likelihood of achievement of objectives is affected by limitations in internal control processes;

in operation of processes,

can be circumvented by the collusion of two or more people,

might have the ability to override the system.

- Segregation of Duties
- Organizational
- Authorization
- Physical
- Supervision
- Personnel
- Arithmetic/Accounting
- Managerial

– the same person should not be solely involved in all aspects from start to finish.

– Policies are in place that are up to date, clear and effective.

– activities and actions are preauthorized by the right people at the right time.

– threats to the physical security of people and assets are controlled.

& R Q W U R O 3 U R F H V V H±V3) & R Q W ¶ G

S ± Supervision ± appropriate supervision is in place to keep track of tasks.

P ± Personnel ± staff are appropriately supported with training and recruitment exercises ensure that the right people are employed.

A ± Arithmetic/Accounting ± checks are made on accounting records and additions/calculations are correct.

M ± Managerial ± the organization has clear lines of reporting and authority, targets, budgets and expectations.