

What are internal controls, why are they important?

**Speaker:** Why do we have controls? The concept of controls is to ensure that one person's work is verified by another person. The core nature of control is to ensure that there are at least two people involved in every process of the organization. Why is control implemented? Basically it is done to ensure that errors occurring at various levels are eliminated and tasks function as planned. We are going to look at 10 aspects of internal controls:

1. Budgetary controls which we have already discussed.
2. Records – How do you maintain control on the accounting records?
3. Incoming Funds
4. Expenditure Controls
5. Purchase Controls
6. Bank Accounts
7. Cash Transactions
8. Physical Controls
9. Advance Controls
10. Segregation of Duties