

Ques 3

Internal Control :-

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Internal Control, as defined by accounting and auditing, is a process for assuring of an organization's objectives in operational effectiveness and efficiency, reliable financial reporting, and compliance with laws, regulations and policies. A broad concept, internal control involves everything that controls risks to an organization.

It is a means by which an organization's resources are directed, motivated, monitored, and measured. It plays an important role in detecting and preventing fraud and protecting the organization's resources, both physical and intangible. At the organizational level, internal control objectives relate to the reliability of financial reporting, timely feedback on the achievement of operational or strategic goals, and compliance with laws and regulations. At the specific transaction level, internal controls refer to the actions taken to achieve a specific objective.