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## Internal Control:

Internal control represents the plan of organisation and all the conditions, methods and measures adopted within a business to safeguard its assets, check the accuracy & reliability and encourage adherence to prescribed managerial policies.

\* Difference between internal check & control?

<u>Internal Check:</u>	<u>Internal control</u>
Internal check refers to the way of allocating responsibility, segregation of work, where work of the subordinates is checked by the immediate supervisor to verify that the work is carried out according to the company policies and guidelines.	Internal control is the system implemented by a company to ensure the integrity of financial and accounting information and that the company is progressing towards fulfilling its profitability & operational objectives in a successful manner.

Scope of internal check is narrower compared to internal control.	Internal control is a broader aspect in which internal check play a vital role.
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Internal checks are implemented at all organizational levels such as tactical and operational level.

Internal control are designed and documented at the corporate management level.

## \* Internal check system:

Internal check is an internal function of the internal control system. It is an arrangement of duties of the staff members in such a way that the work performed by one person is automatically and independently checked by the other.

## \* Objectives of Internal check system:

- (1) To protect business from carelessness, inefficiency and fraud.
- (2) To ensure and produce adequate and reliable accounting information.
- (3) To keep moral pressure over staff.