

ACCA考试辅导：审计原理历史考试问题分析09

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0_83_E8_AF_95_c52_641783.htm Day-to-day internal controls are important for all businesses to maximise the efficient use of resources and profitability. Your firm has recently been appointed as auditor to Cliff, a private company that runs a chain of small supermarkets selling fresh and frozen food, and canned and dry food. Cliff has very few controls over stock because the company trusts local managers to make good decisions regarding the purchase, sale and control of stock, all of which is done locally. Pricing is generally performed on a cost-plus basis. Each supermarket has a stand-alone computer system on which monthly accounts are prepared. These accounts are mailed to head office every quarter. There is no integrated stock control, sale or purchasing system and no regular system for stock counting. Management accounts are produced twice a year. Trade at the supermarkets has increased in recent years and the number of supermarkets has increased. However, the quality of staff that has been recruited has fallen. Senior management at Cliff are now prepared to invest in more up-to-date systems. Required: (a) Describe the problems that you might expect to find at Cliff resulting from poor internal controls. (8 marks) (b) Make FOUR recommendations to the senior management of Cliff for the improvement of internal controls, and explain the advantages and disadvantages of each recommendation. (12 marks) (20 marks

) (a) Problems expected at Cliff: poor internal control (i) I would expect the company to experience some level of over-ordering, leading to reduced profitability as a result of stock going past its ' best before ' date. (ii) Stock that is not well-controlled in a supermarket may result in a breach of health and safety regulations which may result in fines or even closure of the supermarkets. (iii) I would expect there to be stock-outs leading to the potential loss of business to other supermarkets. (iv) I would expect there to be inefficiencies as a result of a lack of central ordering system resulting from quantity discounts not being obtained. (v) All of the problems noted above are likely to be exacerbated where local managers or staff are either inexperienced or possibly dishonest the question states that poorer quality staff have been recruited recently. (vi) Supermarket stock is very easily pilfered either by staff or customers even where it is well-controlled. The lack of regular stock counts in particular means that pilferage is very easy to hide. (vii) I would expect there to be a lack of understanding in the business as a whole as to the availability of new products, products with high margins or other areas in which profitability might be improved. (b) Four recommendations, explanation of advantages and disadvantages: improvements to internal control 1. Recommendation 1: that an integrated system be introduced across all supermarkets that links sales, purchases and stock records. Advantages This would provide the company with an overall view of what stock is held at any particular time, enable it to order centrally and reduce the scope for pilferage. It would result in

reduced stock-outs and reduced stock obsolescence. Disadvantages This would require considerable capital investment in hardware, software and training. It would also take control away from local managers which would almost certainly cause resentment. 2.

Recommendation 2: the imposition of regular, or continuous stock counting procedures together with the prompt update of stock records for discrepancies found and investigation of the reason for the discrepancies. Advantages This would further reduce the possibility of stock-outs and provide evidence of over-ordering, which would enable purchasing patterns to be refined. Disadvantages

There are costs in terms of staff time and, again, a certain level of resentment among staff who may feel that they are being 'spied on', or that they are no longer trusted. Training would also be required and additional administrative work would need to be undertaken by local managers. 3. Recommendation 3: that

management accounts are produced on at least a quarterly basis, that figures relating to each supermarket are provided to head office on a monthly basis, and that an analysis is undertaken by head office on the performance of individual supermarkets and stock lines.

Advantages This would enable the company to determine which supermarkets are performing better than others. It would also enable the company to identify those stock lines that sell well and those that are profitable. Disadvantages The production of more regular and detailed information will be time-consuming. Local managers may feel that they are unable to service the particular needs of their customers if decisions are made on a global basis. customers may feel

the same way. 4. Recommendation 4: that sales price decisions are made by head office. Advantages This would enable the company to experiment with the use of ‘ loss leaders ’ , for example, and to impose a degree of consistency across supermarkets to prevent inappropriate pricing decisions being taken by local managers. Disadvantages Again, loss of control at a local level is likely to result in resentment and the possible loss of good staff. What sells well in one supermarket may not do so in another. To the extent that head office have less experience of local conditions than local staff, it is possible that inappropriate pricing decisions may be made by head office. 100Test 下载频道开通，各类考试题目直接下载。详细请访问 www.100test.com