

Name:

B-05.12

Date:

Section:

The strengths are as follows:

Use this problem as an opportunity to generally consider the benefits of limited access to assets, separation of duties, authorization, use of prenumbered documents, and proper independent verification/audit. Consider how the "other five" suggestions might be ineffective or harmful to the control environment. Be prepared to discuss other ideas (there are many -- e.g., logging the bid price and matching with payments, etc.) for improving controls at the auction.