Internal Controls in Accounting Information Systems

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1. **Purpose**
    - To ensure the accuracy, reliability, and security of financial data processed by the AIS, and to prevent/detect fraud and errors.
2. **General Controls**
    - Apply to the overall IT environment: access controls, password policies, system backups, and disaster recovery plans.
3. **Application Controls**
    - Specific to individual transaction processes: input validation checks, approval workflows, and reconciliation procedures.
4. **Segregation of Duties in a Computerized Environment**
    - Ensuring no single person can both initiate and approve a transaction, or both process and review it, even within a software system.
5. **Audit Trails**
    - Automated logs that record who did what and when within the system, critical for detecting unauthorized changes and supporting audits.
6. **Why Controls Are Especially Important in AIS**
    - Automation can process errors or fraudulent entries at high speed and volume if controls are weak, amplifying the potential damage compared to manual systems.