

Examination technique when attempting a test of control question



After completing the activity, you should have a better knowledge and understanding of how tests of controls should be formulated in a manual and automated business environment.

A hint on how to attempt a tests of controls question in the examination:

- If you are asked to formulate or describe tests of controls in a question remember that you can only test the internal controls described in the question.
- Your first step would thus be to identify the internal controls given in the question, both the manual internal controls as well as the automated internal controls.
- After identifying the internal controls, you will have to describe tests of controls to test the internal controls you have identified. Describe your tests of controls in terms of **HOW**, **WHAT** and **WHY**.

Tests of controls can be asked in the following manner in the examination:

REQUIRED	HOW SHOULD YOU ANSWER THE REQUIRED
<i>Formulate the tests of controls that you will perform to test the manual and automated internal controls described in the scenario.</i>	To answer this type of question, you should describe all relevant tests of controls to test both manual and automated internal controls , for example inspect, observe, reperform and inquire including audit procedures using valid and invalid test data.
<i>Formulate the tests of controls that</i>	To answer this type of question, you

<p><i>you will perform to test the manual internal controls described in the scenario.</i></p>	<p>should describe tests of controls to test manual internal controls only, for example, inspect, reperform, observe, and inquire. You will not include any audit procedures using test data.</p>
<p><i>Formulate the tests of controls that you will perform to test the manual and automated internal controls described in the scenario. If you make use of audit procedures using test data to test the automated controls, limit your answer to invalid test data.</i></p>	<p>To answer this type of question, you should describe all relevant tests of controls to test both manual and automated internal controls, for example inspect, observe, reperform and inquire including audit procedures using invalid test data only.</p>
<p><i>Formulate the tests of controls that you will perform to test the automated internal controls by using invalid test data only.</i></p>	<p>To answer this type of question, you should only formulate invalid test data to test the automated internal controls.</p>
<p><i>Formulate the tests of controls that you will perform to test the automated internal controls by using valid test data only.</i></p>	<p>It is unlikely that we will require you to describe audit procedures using valid test data only. However, to answer this type of question, you should only formulate valid test data to test the automated internal controls.</p>