

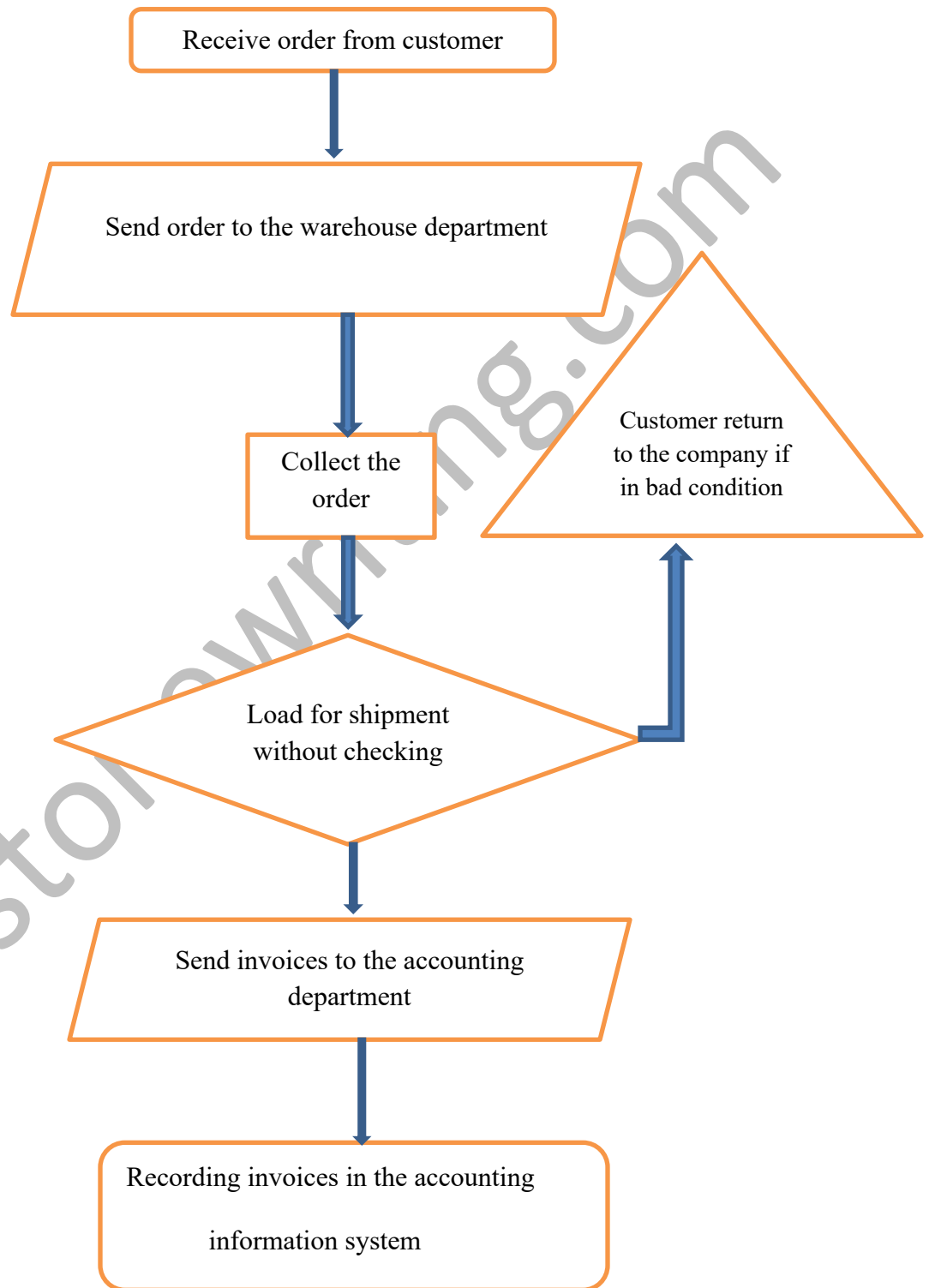
Analysis of the Ordering and Receiving Process

Name

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Q1.

Accounting Information System flowchart

Being a supply company, BeGood Baking Supply Company helps to supply restaurants and bakeries with the baking materials. It also deals in supply of paper goods and other equipment used in baking. It, therefore, means the company has to make orders and receive the supplies of the orders made. Just like any supply company before goods and services are supplied, an order is first placed within the BeGood Baking Company. For the restaurants and bakeries that wish to make orders with BeGood Supply Company, they first have to make a phone call to the phone center of the company. The order then goes to the warehouse supervisor Harold for the shipping. BeGood does not do shipping itself but has outsourced the function of shipping to another company. The orders are filled and shipped to the customers by the outsourced shipping company. It is after all this process that the required documents are taken to the accounting department for recording by the accountant of the company.

It is the warehouse supervisor, Harold who receives the goods purchased without confirming the quality and the level of such products. Once the goods are received, they are only offloaded from the vendor trucks and then stocked into the warehouse ready for supply to the customer. Therefore, there is the likelihood that such goods received may be the fault in one way or the other and may not be identified at the receiving department as the supervisor fails to check this. Thus such any default may only be realized by the customer who has been supplied with the goods or when the orders of the customer are being filled. The vendor gives the invoice of the received goods to the warehouse supervisor and puts them on his desk even without checking them. The invoices are only taken to the accounting department for payment after a week.

Q2.

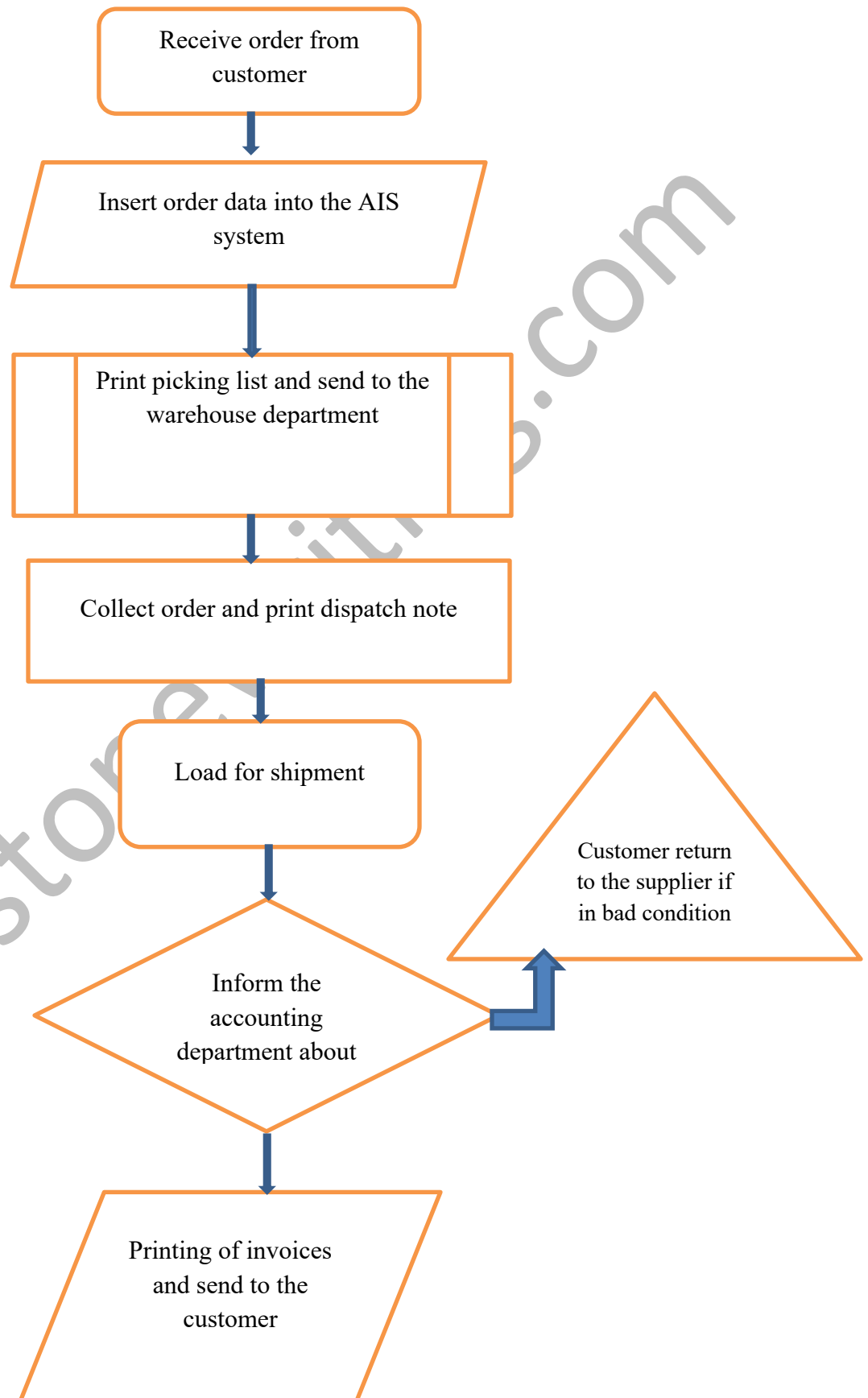
Weaknesses	Fraud	Solution
Using the old AIS system	Outage failure or computer crash	Create backup system
Only the warehouse manager does purchase and tracking of the inventory	Errors of recording and posting of the inventory	Establishment of the checks and balances
Using Excel Spreadsheets for analysis	Slow processes	Creating various data entry and controlling processing edits
Entering invoices to the AIS after receiving goods	Overload of the information	Output security controls

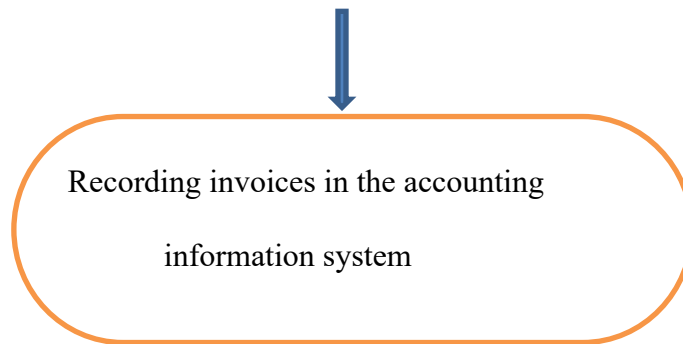
The current accounting information system (AIS) for controlling accounting and financial data of BeGood is not an effective system and depicts various weaknesses. One of such weaknesses is that the accounting information system being used is the very system that has been used since the company was incepted. The possible fraud that is likely to occur is that this system may face the outage failure or even the computer may crash due to the old age or be overused. Another possible threat may be that the system may take a lot of time working or processing the information kept as the nature of the information changes. A solution to this threat can be the company to create a backup for the system with the site or off the site. The backup is to help retrieve the accounting and financial information recorded in case of outage failure or computer crash. Another weakness within the system is that it is only the warehouse manager, Harold who does purchase and tracking of the inventory. A possible fraud may occur such that errors of recording and posting of the inventory may occur. The problem may be attributed to human error or intention wrong posting of the inventory. A solution to this weakness can be an establishment of the checks and balances so that even as the warehouse manager controls the inventory, his actions are checked. Another solution can be training more staff for monitoring inventory.

The third weakness the AIS used by BeGood has is that Excel Spreadsheets is used for analysis including all aging of receivables. The possible fraud may occur such that the process

may be slow or even subjected to theft of data. The solution involves creating various data entry and controlling processing edits. Also, identification codes may be used so as only specified people are allowed to access data. System password may be used to protect the analyzed data. The other weakness of the accounting information system is that it is after the goods have been received that is when the inventory purchasing invoices are sent to the accounting department. The possible threat may occur due to the overload of the information since it is sent at the same time when everything is complete. A solution to this weakness is that a security control for the output should be put in place to minimize the number of copies of the reports printed at a time.

Q3.

Accounting Information System flowchart



Since BeGood is a supply company, communication is the key where the information has to flow from the accounting department to the warehouse department and back (Fu, Ionescu, Aghezzaf, & Keyser, 2016). First, the company should make it easy for the customer to make an order by any means, either by phone call, email, or fax. Once the customer has made an order, the accountant enters the order into the Accounting Information System before sending such information to the warehouse. At the warehouse, the picking list is printed in the warehouse printer. It is after receiving the picking list that the warehouse supervisor will examine the check the quality and the quantity of the goods ordered before packing them. After that, the ordered products will be released from the current stock to get ready for shipment. The warehouse will arrange to ship after printing the dispatch note which it will send to the accounting department upon shipment. The accounting department will now print out invoices from the goods that were delivered and send them to the customers.

Reference

Fu, D., Ionescu, C. M., Aghezzaf, E., & De Keyser, R. (2016). A constrained EPSAC approach to inventory control for a benchmark supply chain system. *International Journal Of Production Research*, 54(1), 232-250. doi:10.1080/00207543.2015.1070214

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