

# Ais information system



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Suggest two controls for each of the AIS information system applications (revenue cycle, expenditure cycle, production cycle, human recourse / payroll cycle, and the general ledger / financial reporting system) that will mitigate potential threats.

Incorporation of new technologic changes might mitigate various potential threats in each of the AIS information system applications. Controls involve taking the most appropriate measures in order to protect and control information system. Indeed, the threats to AIS are increasing day by day (DePaul, 1996). Thus, there is a need to have controls to fight such threats. Firstly, revenue cycle is meant to manage the cash flow more effectively. However, there are various controls that will help in recognizing and protecting potential threats in the flow of cash and sales within the system (Raymond, 1995). Some of the controls that will be used in the revenue cycle include: firstly, the encryption of data. This is important to ensure that no one can use or duplicate the data without the authority of the firm. Secondly, the flow of cash can be controlled by restricting access with locks on PCs. This minimizes the threat of loss or left. Thus, an organization is able to keep sensitive information and data secure in its systems and prevent malice changes.

In human resources cycle, two major controls can be used to regulate the flow of information from the firm to its staff. Firstly, the organization can train the users in control concepts and their importance to the firm (DePaul, 1996). This is crucial as it enables every member to avoid taking any action that may result in loss of data. They can also be educated on the essence of virus protection to minimize any potential threat. Secondly, they should

enforce the staff to adhere to human resource practices (Senid, 2000). This is most specifically where a PC is under control of one user who is allowed to manage the data on behalf of the organization.

Expenditure is another cycle of AIS that ranges from purchases to cash disbursement. Firstly, this cycle can be controlled by restricting user access as well as the ability to manipulate data. Mainly, cash is a very delicate transaction in any firm. Thus, the firm should be in a position to control data and ensure that there is no possibility of any unauthorized user to access data. Secondly, the firm should control and protect its data from outside hackers who may want to misuse the data. This is mainly achieved by the use of a PIN where only authorized persons can access data. Financial reporting is another important cycle in AIS that should be protected (Gerald, 2003). One of the major controls involved the use of passwords where only authorized and identified persons can access the system data. On the same, the firm should have absolute control over the passwords. Secondly, the firm should control concurrent update control. This prevents any simultaneous online updates especially where the data is based online. This is achieved through the use of record lock.

In order to adapt to changes in technology, a firm has to follow a certain process. This is important as it ensures that all the procedures are followed. Some of the three vital steps include: firstly, assessment of the new technology. Assessment involves identifying the suitability of the new technology (Raymond, 1995). This is done after the firm recognizes the need for technological innovation. Normally, a group has to be formed in order to evaluate the new technology and recommend on the areas that require the

utilization of new technology. Secondly, a proposal of the project is formulated and submitted to the firm's officials that meet the project criteria. The proposal should identify the challenges the firm is going through and how the new technology is going to combat such challenges (Gerald, 2003). After the approval of the project the new technology recommendations are implemented in various cycles within the firm.

Assess whether firms need to be more aggressive or cautious updating or changing AIS applications and processes considering the rapid pace technology is changing.

A firm should be more aggressive in updating and changing AIS applications and processes. Technology is advancing at a high pace. This implies that the business should do everything possible to ensure that they are not left behind with the development in technology. Adopting new technology in AIS helps a firm to maintain competitive advantage in the market (Senid, 2000). Nowadays every firm has adopted new technology. With any innovation in technology, firms compete for superiority as a result of being the first to adopt it in their different AIS cycles. Thus, due to the high level of competition in the market, it is important for a firm to adopt technology in an aggressive manner. However, it should be implemented carefully. This is important because a firm is able to maintain and adopt the necessary controls to ensure their systems are not used inappropriately for malice purposes.

Conclusion

Innovative technologies in AIS have helped various firms to advance at a high rate. This has facilitated developments as they are able to compete with other firms worldwide. Thus, it is important for a firm to keep on updating its technology as it advances in order to maintain the pace of development. Implementation of new technologies should be a step by step process to avoid mishaps that may result from abrupt adoption of technologies. AIS is important for any business. Therefore, the firm should update all its cycles and adopt appropriate controls.