

# Effectiveness of the accounting system of cookridge and cookridge carpets essay s...

[Technology](#), [Computer](#)



## 1. TERM OF REFERENCE

This report-

1. 1 Has been prepared to cover the requirements of the internal control and accounting system unit of the AAT level 4 Diploma in Accounting.

1. 2 Looks at the need to make improvement to the effectiveness of the internal control and whether the culture of the organisation could be improved in terms of working ethically and their environmental sustainability

1. 3 It's about making recommendation for improvement that sees are necessary

## 2. EXECUTIVE SUMMARY

### 3. METHODOLOGY

3. 1 I started my project by studying the AAT case study to clearly understand the accounting operation, procedures and the personal with different responsibility it also help to making notes and highlighting what was necessary and needed

3. 2 Questionnaires was prepare and answered by the accounts staff about them personally, their qualification and views about trainings. (See appendix )

3. 3 The strength and the weakness were laid down. Weakness was use to suggest recommendation. (See appendix )

3. 4 References include

<https://assignbuster.com/effectiveness-of-the-accounting-system-of-cookridge-cookridge-carpets-essay-sample/>

Internet : Google and the AAT web site

Internal control and accounting project Osborne books

Internal control and accounting systems- A guide to writing your report:  
leaflet

#### 4. INTRODUCTION TO COOKRIDGE & COOKRIDGE CARPETS Ltd

4. 1 Cookridge & cookridge carpets ltd was established in 2009 in  
Southampton.

4. 2 It is a large carpet, soft furnishings and bed dealership it is the main  
dealer for ' memory' foam beds and mattresses in the area and has been  
trading for the past four years.

4. 3 Their main internal stakeholders are there;

Employees

Manager

4. 4 their main external stakeholders are there;

customers

suppliers

banks

tax authorities

4. 5 Cookridge & cookridge carpets ltd is a small business employing fewer  
than 50 employee including a small account department - see appendix 1. ( )

4. 6 Mission is to provide an excellent level of services to all of their

customers, whether they are spending £5 or £5000 and to provide carpets, beds and soft furnishings that make a house into a home.

## 5. ANALYSIS AND EVALUATION OF THE CURENT SYSTEM.

### 5. 1 Review and evaluation of the accounting system

### 5. 2 Ethical and sustainability evaluation of accounting system

### 5. 3 Weaknesses in the accounting system.

Possible weaknesses in the accounting system

5. 3. 1 Security and accessibility : The password system and accessibility is very lax Access to the account office is easy because the keypad lock is never used Same password is use for everything throughout the organisation Password seems to have never be change

The account supervisor those not have access to all computer in the account section at any time because they have never given their personal computer password as requested

### 5. 3. 2 Cash and banking:

Banking is not done on a daily basic

Cash is pass from till to the safe with no record of any kind There is no control on the petty cash

There appears to be no checking system for cash

Stefan is not chasing customers is not doing so making money at bank low and suppliers is not paid

### 5. 3. 3 Payroll: The payroll system has a number of weakness

No attendance slip for employees to sign in and out of work

Only one member of the account team is able to operate sage payroll Staff complaint they are being under paid

To estimate future wage packets on one week's figures is unacceptable practice

### 5. 3. 4 Staff training

Continuing professional development (CPD) is not practice

There is only one member of staff trained to operate sage payroll

### 5. 3. 5 Reliability and speed

The printer in the account department is always causing problem Staff have multiple responsibilities and often found them stuck with work load

Computers is sometime not working and it cause delay

No proper record keeping system for inventory which open fraud opportunities and error occurs frequently

### 5. 3. 6 Operating process

Records are not being kept in confidentiality as appropriate Individual are using the company computer for personal use

The lack of policies and procedures

Lacking proper accounting standard which the accounts of the business should be prepared