

Plaskor inc: accounting information systems internal controls and risks in it sys...

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According to Turner and Weickgenannt, electronic data interchange (EDI) can be loosely described as the standardized form of business where data can be exchanged between organizations through the use of interconnected computers or the Internet. EDI is designed to enhance companies to exchange business information such as purchasing and supply orders as well as invoices through the use of a paperless system that is computer-based. This system is fast and efficient and it is also accurate. This system is relatively cheap to operate and it is ideal for large corporations. Thus, Plaskor Inc. has underscored the implementation of this strategy in carrying out the manufacturing of automotive parts since it needs to trade with other partners.

Whether to buy or develop the system, there are certain risks that are likely to be faced. For instance, the system can be intruded by hackers who are bent on stealing business information belonging to other organizations. The security risk is more threatening to the viability of business since this can impact its operations. The system is also likely to be infiltrated by spyware which can affect the operations of the company. The company can lose vital information as a result of spyware that can be picked from the Internet. Therefore, there is a need to build strong firewalls in order to protect data from being stolen by other unscrupulous people.

The pastor can choose to develop the EDI system, which implies that it should also develop translators that can code the data so that it can be exchanged smoothly between two different companies. However, the risk

likely to be encountered is that the translators may not be compatible with transmission and security systems and back end systems that ultimately process EDI instructions (Segev, Porrar, & Roldan, n. d.). This may affect the seamless flow of information, hence the need to put concerted efforts in order to ensure that the translators are compatible with the internal systems of the company. Failure to do so may impact the smooth flow of information between linked computers.

b) This section of the paper seeks to describe IT internal controls that should be incorporated into an Internet EDI system. Systematic scheduling has to be put in place so as to control the time when automated e-mails to different customers can be sent. This control measure is meant to ensure that the company maintains a time communication system.

According to information obtained from Internal Control Systems (n. d.), computer-aided design (CAD) can also be used as an internal control measure that is meant to enhance the engineering function. Basically, CAD software allows engineers to work with advanced graphics, and this can help them to create ideal models that show the production environment in a given organization.

This also allows the operator to rectify the problem in a fast and effective way. This entails that the control system is capable of improving the operations of the organization since it enables the operators to monitor progress in the work being undertaken.