Ais-1

Running Head: AIS Accounting Information System Accounting Information System Comparison of Treasurer and Controller

The treasurer handles the acquisition and custody of funds. The main responsibilities include looking after financial planning, procurement, and investment of funds for an organization. In large corporations it is treasurer's responsibility to delegate authority to others for receipt, disbursement, banking, protection and custody of funds, securities, and financial instruments. However, the control and supervision remains his primary role. Furthermore treasurer analyzes financial records to forecast future financial position and budget requirements. Keeping in view the requirements of the business operations the treasure evaluates need for procurement of funds and investment of surplus in profitable ventures. He/she drafts policies and procedures for account collections and offering credit to customer and signs notes of indebtedness as approved by higher management. Finally he/she prepares financial reports for management and advises them on investments and loans (Kerr & King, 1984).

The controller's functions include accounting, reporting and control. The accounting function involves preparation and maintenance of accounting records related to each business transaction. Controller directs and coordinates financial planning and budget management functions based on each forecasts submitted by each department's manager. He/she identifies any variations in operating results against budget by carrying out analytical review of company's procedures and outcomes and manages the preparation of annual and interim reports of the company. The controller is primarily involved in planning and policy making committees and work as legislative liaison to handle company's financial issues. The company's tax

issues, payroll and internal audit activities are also governed. Other activities may include preparation of budgets and financial statements. Finally he/she overseas financial management of the company’s foreign operations and assist them to improve (Bragg, 2002).

Transaction processing cycle:

Transaction processing cycle begins with a transaction. A transaction is an agreement between buyer and seller to exchanges goods or services for payment. Transaction processing cycle therefore relates to repetitive flow of the activities of an ongoing enterprise. There are three major transaction cycles which include (1) Revenue Cycle which relates to sales, shipping, receivables, and collections arising from company’s activities (2) Buying Cycle which relates to purchases, payables, and payments of company’s activities and (3) Production Cycle which relates to manufacturing products and storage activities of the company (Davis, 1999).

The entire transaction processing cycle no matter what type it is consists of basic steps including data collection, data editing, data correction, data manipulation, data storage and document production (Schaefer, 2002). These processes are integrals of transaction processing system (TPS) which could be operated manually or through computerized system. The process involves the input of business transactions either manually or via automated systems with assigned transactions codes. The data editing process validates the transaction and check it for completeness and data correction reports any errors allowing altering of the entered transaction details. Data manipulation is related with performing calculations, classifying transactions according to their account title and summarizing them. Data storage is the outcome of TPS which produces data to be linked with other systems and

finally allows the documentation which involves issuance of invoices, receipts and payment cheques etc. Thus, on a whole the transaction processing cycle covers sales order processing, purchasing and accounting of both.

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