

UNIVERSITY OF TOLEDO INTERNAL AUDIT DEPARTMENT

MONITOR THE EXTERNAL ENVIRONMENT

Control practices

The following control objectives provide a basis for strengthening your control environment for the process of monitoring the external environment. When you select an objective, you will access a list of the associated business risks and control practices. That information can serve as a checklist when you begin reviewing the strength of your current process controls.

This business risk and control information can help you assess your internal control environment and generic business process level and many companies will need to go beyond generic models to add(a)13ie d)st)responifink and understanding of your company's environment when conducting internal control assessments designing and implementing recommendations.

Effectiveness and efficiency of operations

- A. Management obtains current information about the external environment as necessary strategic assumptions.
- B. Management understands the technological environment.

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Effectiveness and efficiency of operations

A. Management obtains current information about the external environment as necessary to evaluate strategic assumptions.

Business risks

- The company's business and operational strategies will become irrelevant as a result of invalid assumptions.
- The company's operations will not be responsive to changes in the business environment.

Control practices

1. Design processes that systematically obtain data and information about the environment. Such processes include customer surveys, competitor analyses (including benchmarking), and other