UNIVERSITY OF TOLEDO INTERNAL AUDIT DEPARTMENT
DEVELOP PRODUCT AND SERVICE ENHANCEMENTS

Control practices

The following control objectives provide a basis for strengthening your control environment for the process of developing product and service enhancements. 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 assist with the design and implementation of internal controls. Please note that this information is at the generic business process level and many companies will need to go beyond generic models to address the specific business processes that support the financial and nonfinancial disclosures being made. You can combine the insight of this business risk and control information with your industry-specific knowledge and understanding of your company's environment when conducting internal control assessments and designing and implementing recommendations.

Effectiveness and efficiency of operations
   A. Management effectively allocates resources for technology research.
   B. Management identifies leading technologies relevant to company products.

Compliance with applicable laws and regulations
   A. The company complies with patent infringement laws.

Effectiveness and efficiency of operations

A. Management effectively allocates resources for technology research.

Business risks
   - The company will invest in technology that produces insufficient benefits to justify its cost.
   - The company will develop technology that does not support management's strategic objectives.

Control practices
   1. Perform feasibility and profitability analyses for all planned technology projects.
   2. Review, approve, and prioritize all planned projects based on the company's strategic goals.
   3. Establish clear policies that outline the criteria for approving technology projects.
   4. Establish communication channels for reporting the status of technology projects to management.

B. Management identifies leading technologies relevant to company products.

Business risks

- The company will not incorporate leading technology into its products.
- The company's products will lose their competitive edge, resulting in poor market acceptance, lower sales, and earlier obsolescence.
- The company will miss out on technologies that could produce sufficient benefits to justify the acquisition, maintenance, and people costs of implementation.

Control practices

1. Hire appropriately qualified employees to work in technology-related functions.
2. Communicate needs and opportunities effectively between technology, marketing, and product design functions.
3. Educate key decision maker8 -1.1562.-31.3 ((3.)h2 te)-21.7427 >>B3yL-31.(e)-30.7g1.74 ( )-3742-31.3 ((