

Internal Control Microscope™

Auditing BPCS/ERP LX Data With Zoom-in Power



What external auditors look for

Before Sarbanes-Oxley (SOX), external auditors were satisfied with these kind of BPCS/ERP LX data examinations:

- ✧ Testing a variety of sample transactions
- ✧ Verifying that subsidiary ledgers tied out with the balance sheet
- ✧ Checking to see if the inventory/cost equation worked
(*beginning inventory + purchases - scrap/sales at cost = ending inventory*)
- ✧ Asking a sample of customers to acknowledge accounts receivable balances
- ✧ Asking questions about recognition of contingent liabilities
- ✧ Looking at the G/L distribution for a sample of the larger transactions, etc.

Transaction sampling was invented so that auditors could check a very small percentage of the database to verify business process. That was a pre-SOX idea and it isn't as compelling as it used to be. It's just a random sample, not a clever census.

Auditors have been going deeper now that SOX is in place. That's one reason why Unbeaten Path invented **Internal Control Microscope**. This **Bells & Whistles®** for BPCS software was designed to extract data integrity and consistency information from the system in very creative ways.

Product overview: Internal Control Microscope

Internal Control Microscope is a package of 40 menu-driven audit reports designed by experts in BPCS/ERP LX functionality and database design. Our intimate knowledge has produced database queries and comparisons that sift out internal control deficits in some very clever ways. The best auditors in the world couldn't invent these approaches unless they were BPCS/ERP LX experts.

Internal Control Microscope has four areas of concentration: financial systems, order processing functions, inventory management and valuation, and manufacturing process. Click [here](#) for more detailed information about the product.

A true story

When Paul Rials was the CIO at Dentsply, he became interested in this product because diligent attention to data integrity was very important to him. Dentsply had something approaching two dozen North American BPCS environments at that time supported by an ample crew of technically strong BPCS experts back at headquarters in York, Pennsylvania.

Paul was reluctant to purchase a license for Internal Control Microscope because the product does not have a demo copy available. (*If we sent out a demo, it would disclose the clever intellectual property in the product and then it would be hard to sell a license.*) So, Paul made an offer to Milt Habeck, the founder of Unbeaten Path

A true story, *continued* ...

..... Paul said, "Give us the full production version of the product and the key and trust us. We'll look at it in great detail. If it teaches us useful things about BPCS we didn't know, we'll pay the full price for your Internal Control Microscope software."

Milt had always trusted Paul Rials and agreed to the proposal. Several weeks later, Dentsply's check payment for the software license arrived in Unbeaten Path's mail box.

It's much better than boxes of green bar

It's a daunting chore to search for and identify internal control deficits in the massive BPCS/ERP LX database. You can print off a dozen boxes of green bar reports, look at every line on every page, check every sub-total and *still* not see anything wrong.

Milt Habeck, the founder of Unbeaten Path, learned that lesson back in the early 1980s. He was asked to audit a manufacturing company in Venezuela that was having operational problems. The IS department had prepared for Milt's arrival in Caracas by printing off a small office full of thick reports. He spent three days verifying that the column totals tied out, but that didn't point to any problems.

All the green bar looked great but that Venezuelan company was an internal controls wasteland. If a tool like Internal Control Microscope had been at Milt's disposal, it would have immediately pointed at a mountain of internal control problems worth digging into.

Strategic assessments to improve internal controls/operations

Internal Control Microscope will point to a variety of opportunities to improve the internal consistency and integrity of your BPCS/ERP LX data ... but ... it won't find distinctions between the way you currently run your business and world class performance. Unbeaten Path has a professional service called **No Stone Unturned**[™] which looks for those distinctions, describes the implications of the findings, and then recommends a reasonable path towards world class.

Click [here](#) to learn more about **No Stone Unturned** strategic assessments.

Questions ?

It would be a privilege to answer any questions about **Internal Control Microscope** software. Here's Unbeaten Path International's contact information:

Toll free North America: (888) 874-8008

International: (+USA) 262-681-3151

Send us an email (click [here](#))



Unbeaten Path[®]