**Goal 3  
Portfolio Problem   
Business Memo   
Writing Assignment**

**Internal Control Procedures**

**Tina Teller was a trusted employee of Premier Bank. She was involved in everything. She worked as a teller, she accounted for the cash at the other teller windows, and she recorded many of the transactions in the accounting records. She was so loyal that she never would take a day off, even when she was really too sick to work. She routinely worked late to see that all the day’s work was posted into the accounting records. She would never take even a day’s vacation because they might need her at the bank.**

**Jones and Johnson, CPAs, were hired to perform and audit, the first complete audit that had been done in several years. Tina Teller seemed somewhat upset by the upcoming audit. She said that everything had been properly accounted for and that the audit was a needless expense. When Jones and Johnson examined some of the bank’s internal control procedures, the firm discovered problems. In fact, as the audit progressed, it became apparent that a large amount of cash was missing. Numerous adjustments had been made to customer accounts with credit memorandums, and many of the transactions had been posted several days late. In addition, there were numerous cash payments for “office expenses. When the audit was complete, it was determined that more than $100,000 of funds was missing or improperly accounted for. All fingers pointed to Tina Teller.**

**The bank’s president, who was a close friend of Tina Teller’s, was bewildered. How could this type of thing happen at this bank?**

**Required:**

**Prepare a business written memo to the bank president, outlining the procedures that should be followed to prevent this type of problem in the future. Identify specific weaknesses and recommend improvements that can be made to deal with each weakness you identify.**

**What are the criteria to this assignment?**

1. **Memorandum style & format**
2. **Purpose**
3. **Discussion of control activities**
4. **Closing**
5. **Spelling and grammar**

**There are two sections in D2L CONTENT to assist you with this assignment. Go to:**

* **Business Writing Skills for more information on writing a business memo.**
* **Internal Controls more information on the topic of internal control.**