

# Understanding Automated Controls



Work together with your IT Specialist to obtain a precise understanding of automated controls.

A thorough understanding of the **inputs, processing steps, and outputs** of the automated control allows us to develop an appropriate testing strategy.



## Typical Test Approach for Automated Controls

Includes:

- ✓ System Configuration Test, if applicable
- ⊕
- ✓ Testing Other Controls (i.e., GITCs, Controls over Source Data)
- ⊕
- ✓ Transaction Test

Remember: If there are multiple variants, **test each variant** (or select a sample). Test **both positive and negative scenarios** if there are different potential outcomes of the automated control.

## Inputs

*The source data that is key to the automated control operation.*

The programmed functionality or logic associated with an automated control is applied against applicable source data. Therefore, we consider whether that source data is complete and accurate.

We obtain an understanding of the controls over that source data, which typically include a combination of manual controls and GITCs.

Remember: Deficiencies in those manual controls and GITCs can impair the operating effectiveness of automated controls.

## Processing Steps

*The programmed functionality of the automated control.*

Complex automated controls may have more than one processing step.

When we understand the processing steps of the automated control, we consider and identify relevant variants in the automated functionality.

## Outputs

*The end result from the automated control.*

Consider whether that output requires additional review or investigation.

## Resources:

- ❑ [Automated Application Controls Practice Aid](#)
- ❑ [Reviewer Considerations for Testing Automated Controls – Practice Aid](#)
- ❑ [Form 4120S–AC, Automated Control Testing Template—PCAOB \(and Illustrative Examples\)](#)
- ❑ [Form 4120S–AC, Automated Control Testing Template—AICPA and ISA](#)
- ❑ [Public Entity Internal Control Guide](#)
- ❑ [Private Entity Internal Control Guide](#)
- ❑ [Deloitte Omnia: Internal Controls Workflow QRG—Automated Controls](#)
- ❑ [Internal Control \(IC\)– Deloitte Guidance Q&As](#)