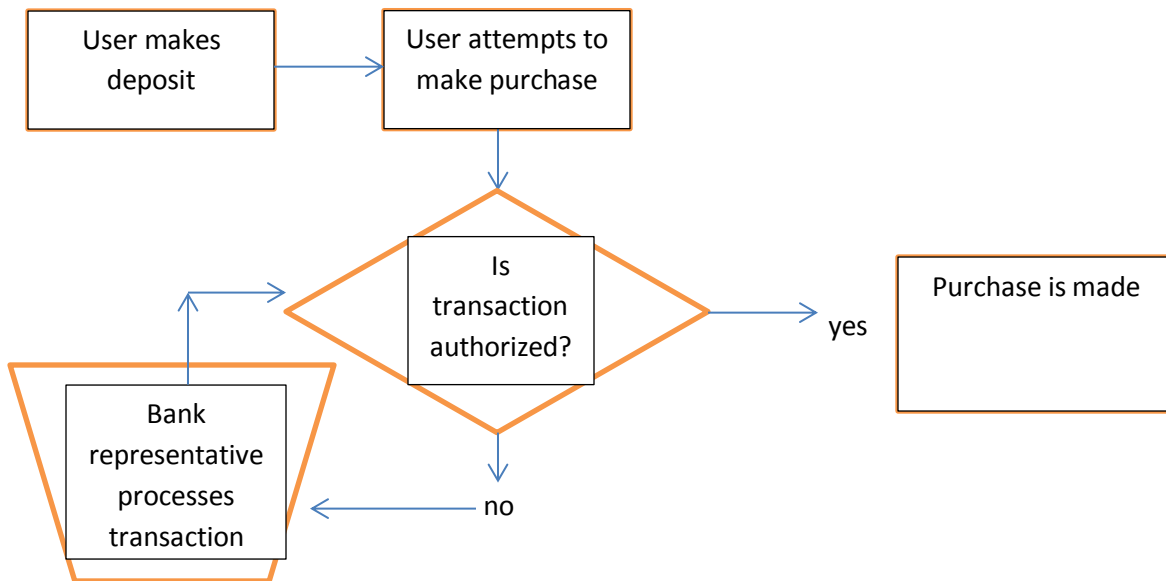


## MEGAN BURKE - ACC 635

Last month, my boyfriend and I were purchasing a vacation using an internet vacation booking site. After researching the resort and costs, we were ready to book. We went to Chase bank and deposited 3,000 dollars into his account using an ATM so that there would be enough money in the account for the transaction to go through. We went back to the apartment, proceeded to book the vacation. The representative said the transaction wasn't going through due to insufficient funds. We knew there were sufficient funds in Chase bank, so proceeded to call the bank. The bank confirmed the correct amount of money in the account. This was a computer disaster!

The bank needed to manually clear the transaction, since the ATM only recorded it and did not process it. We called customer support and they cleared the transaction. After this, the vacation was booked. the transaction was able to go through.



I believe this was a general control weakness in the computer operation controls. The transactions were not up to date with real time information, therefore the transaction was denied. Therefore, in terms of application controls, the input was incorrect; the program processed the situation correctly, since it received the information that the user had insufficient funds, it did not let the transaction go through. The output was correct (if we indeed did not have the fund in the bank,) the money would not be able to be used.

1. hardware controls: provide reasonable assurance that data are not altered or modified as they are transmitted within the system. There is no issue here.
2. program development controls: ensures that programs and software are tested and validated prior to being placed into operation. There may be an issue here. If developers would have tested the ATM transaction, they would know that deposits are not available for use right away.
3. program change controls: not applicable
4. computer operation controls: Here, the accounting records were automatically updated as soon as the deposit occurred, but the funds were still not available. We saw the correct amount of money in the bank account, but were not authorized to use it until the bank representative manually processed the transaction. This control is broken.
5. access to programs and data controls: provides reasonable assurance that access to programs and data is granted only to authorized users. This control is working correctly.

My suggestion for Chase Bank is to first test the data to make sure the ATM contains the most recent banking information. This needs to be properly documented. They can also perform program development controls which involve testing, validating, and documenting the controls. This would involve making a new deposit in the bank, and then trying to process a transaction for that amount of money.