

EXHIBIT 2
SAMPLE COSO INTERNAL CONTROL DOCUMENTATION

Risk Assessment and Control Activities Worksheet
Activity: *INBOUND*

Objectives	Risk Analysis		Actions, Control Activities, Comments	Other Objectives Affected	Evaluation and Conclusion
	Risk Factors	Likelihood			
Manage Logistics 1. Materials are to be tested, and either accepted and moved to storage, or rejected and returned for credit on a timely basis.	Receipt of large quantities of materials may delay the receiving and testing activities.	Medium-High	Production provides a weekly report of those items most critically needed to continue efficient and uninterrupted production. The Director of Procurement/Receiving reviews materials to be tested and prioritizes such materials based on the weekly report.		Policies and procedures are insufficient for timely processing. Policies and procedures must be developed to detail how materials should flow through receiving and testing, in the event of large amounts of materials being received, and how achievement of the objective is to be monitored. Additionally, using engineering personnel to test materials may create conflicts between testing and engineering, especially if such use negatively affects achievement of engineering objectives. Controls are sufficient to achieve the objective.