

Dimension	Financial control system provision	Investment evaluation process requirement
Direction	Backward – examine expected historical trading performance	Forward – project future performance
Orientation	Internal – examine and report on current business performance	External – evaluate current and future markets and competitors
Timescale	Short-term – review performance monthly	Long-term – examine expected performance over a given period
Expenditure base	Revenue expenditure – trace performance on the evaluation of revenue	Capital expenditure – evaluate investment in facilities to incorporate risk
Control base	Return on investment – assess return in respect of the net capital employed	Cash flow control – relate expected cash flows to initial cash outlays

EXHIBIT 11.2 Typical financial control system provision versus investment evaluation requirement