

Summary Audit Procedures	Detailed Audit Procedures	Perf. By / Date	Ref. to Work Performed
1. CONFIRM RECEIVABLES [Existence]	A. Obtain the receivables trial balance (age analysis). Test the summarization and the reconciliation of the total to the general ledger. Trace significant reconciling items, if any, to supporting documents.	Done 1/15/X4	See AR-101A
	B. Make a selection of either customer balances or open invoices ensuring that the total agrees to the receivables trial balance (age analysis), and perform the following:	Done 1/15/X4	See AR-200
	C. Prepare, or have the client prepare, confirmation requests for the balances or invoices selected. On the confirmation, consider including outstanding balance, terms of sale, a confirmation that delivery has occurred or services have been rendered, and a confirmation that there are no side-agreements that would alter the substance of the sales agreement. Mail the requests under our control.	Done 1/15/X4	See AR Manual Workpapers at AR-500
	D. Send second requests for non-replies.	Done 1/15/X4	See AR Manual Workpapers at AR-500
	E. Compare replies to requests. Prepare, or have the client prepare, reconciliations of exceptions. Trace reconciling items to supporting documents.	Done 1/15/X4	See AR-101
	F. Vouch non-replies to shipping documents, sales invoices, customer correspondence, and any subsequent cash receipts.	Done 1/26/X4	See AR-101

	G. Inquire into any significant disputed balances. Investigate as necessary.	Done 1/26/X4	Per discussion with Meg Black-AR Supervisor, John Sawyer-Account Manager, and Kate Burke-Account Manager there are no significant disputed balances.
	H. Evaluate results of the tests.	Done 1/26/X4	See AR-101
2. TEST THE ALLOWANCE FOR DOUBTFUL ACCOUNTS AND BAD DEBT EXPENSE [Valuation, Authorization]	A. Obtain a schedule of the allowance for doubtful accounts showing beginning and ending balances, write-offs, recoveries, and bad debt expense. Trace the ending balance and the amount of bad debt expense to the general ledger. Test the summarization of the allowance for doubtful accounts.	Done 1/26/X4	See AR-102
	B. Make a selection of receivables write-offs recorded in the general ledger. Review documents and correspondence supporting uncollectibility and determine that the write-offs were authorized.	Done 1/26/X4	See AR-103
	C. Evaluate the reasonableness of the methods and assumptions management used to estimate the allowance for doubtful accounts.	Done 1/26/X4	See Interim Audit Workpapers at AR-50
	D. If management's methods and assumptions were reasonable, test the data and assumptions underlying the estimate, and recompute the estimate.	Done 1/26/X4	See AR-103

	E. Develop an estimate for the expected allowance account balance. Compare the recorded account balance to the actual account balance. Compute a threshold (e.g., a percentage of the recorded account balance). Investigate any fluctuations outside of the calculated threshold. Discuss the allowance balance with management and consider the following factors, as applicable, in developing a reasonable estimate: trend in the allowance as a percentage of sales and receivables; trend in bad debt expense as a percentage of sales; unusually large collections, write-offs, and recoveries.	Done 1/15/X4	See AR-105
	F. Evaluate results of the tests.	Done 1/26/X4	See AR-103 & AR-105
3. TEST PRESENTATION OF RECEIVABLES [Presentation, Cutoff]			
	A. Determine that the following balances, if any, are properly classified: credit balances in receivables, miscellaneous (non-trade) receivables, long-term receivables (including long-term portion of notes receivable).	Done 1/26/X4	See AR-104
	B. Determine that the following balances, if any, are properly recorded, classified, and/or disclosed, as appropriate: receivables assigned, pledged, or factored; receivables from related parties; balances with group companies.	Done 1/26/X4	See AR-104
4. TEST EARLY CUTOFF OF CREDIT NOTES	A. Inquire into customer returns in the 15-day period prior to year end. Determine that the credit notes were recorded as credits to receivables in the correct period.	Done 1/26/X4	See AR-104

	B. Make a selection of credit notes recorded in the 15-day period after year end. Vouch the credits to receiving records and determine that they were recorded as credits to receivables in the correct period.	Done 1/26/X4	See AR-104
	C. Review miscellaneous credits to receivables recorded in the 15-day period after year end. Vouch the credits to supporting documents and determine that they were recorded in the correct period.	Done 1/26/X4	See AR-104
	D. Evaluate results of the tests.	Done 1/26/X4	See AR-104