

Revenue Cycle Audit Program: Internal Control Evaluation

Document No.	RC-AUD-2024-01	Date	2024-06-15
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1. Objective

To evaluate the effectiveness of internal controls within the Revenue Cycle, ensuring completeness, accuracy, and timeliness of all revenue-related transactions, and to detect any potential weaknesses or opportunities for improvement.

2. Scope

Review of all processes and controls encompassing billing, cash receipts, accounts receivable, credit management, and revenue recognition for the period January 1, 2024 to May 31, 2024.

3. Key Internal Controls Evaluation

Control Area	Control Description	Control Owner	Test Method	Status	Notes
Segregation of Duties	Separate individuals handle billing, cash receipts, and account reconciliation.	B. Smith	Inquiry, Documentation Review	Effective	-
Invoice Authorization	Invoices reviewed and approved by designated personnel prior to issuance.	C. Lee	Sampling, Document Inspection	Effective	-
Cash Receipts Recording	All receipts are recorded daily and independently verified.	D. Kumar	Observation, Re-performance	Improvement Needed	Delay in daily recording found for 2 out of 10 sampled days.
Revenue Recognition	Revenue recognized as per applicable accounting standards (accrual basis).	M. Chan	Walkthrough, Sampling	Effective	-
Accounts Receivable Reconciliation	Monthly AR balances reconciled and variances investigated.	T. Castillo	Re-performance, Review	Effective	-

4. Findings & Recommendations

- Cash receipts recording process needs strengthened oversight to ensure daily entries.
- No significant deficiencies noted in authorization and reconciliation controls.
- Periodic control training recommended for all revenue cycle staff.

5. Reviewer Sign-Off

Name		Date	
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Important Notes

- This document should be reviewed at least annually or after material process changes.
- Retain all supporting evidence and working papers for future reference.
- Always ensure independence in the audit process for objectivity.
- Findings must be communicated promptly to process owners and management.
- Continuous improvement is key; action items should be tracked to completion.