

# Analytical Procedures Outline

## Audit Program for: *Revenue and Receivables*

### 1. Objective

To obtain audit evidence regarding the completeness, accuracy, and validity of recorded revenue and receivables by performing analytical procedures.

### 2. Procedure Steps

Step	Description	Reference/Working Paper
1	Obtain prior period and current period financial data for revenue and receivables.	WP-RR-01
2	Calculate key ratios (e.g., Gross Margin %, Receivables Turnover, Days Sales Outstanding).	WP-RR-02
3	Compare ratios and balances with prior periods and industry benchmarks.	WP-RR-03
4	Investigate and document explanations for significant or unusual fluctuations.	WP-RR-04
5	Correlate findings with results from substantive audit procedures.	WP-RR-05

### 3. Documentation

All calculations, comparison charts, explanations for variances, and corroborating evidence to be included as part of the audit working papers.

### 4. Reviewer Comments

*Reviewer should assess if all significant variances have been properly investigated and documented, and whether the procedures support the audit objectives.*

### Important Notes

- Analytical procedures help identify areas of potential risk or misstatement.
- Professional judgement is needed to determine what constitutes a significant fluctuation.
- Documentation should be sufficient to allow a reviewer to understand work performed and conclusions reached.
- Comparisons should consider changes in operations, environment, or accounting policies.
- These procedures do not replace the need for detailed substantive testing where required.