

# Audit Program for Specific Audit Area

## Audit Area: Accounts Receivable Review

### Objective:

To verify the accuracy, existence, valuation, and collectibility of accounts receivable balances as at the reporting date.

### Stepwise Audit Procedures

Step No.	Procedure	Reference/Working Paper
1	Obtain the listing of accounts receivable as at year-end and agree the total to the general ledger.	AR-01
2	Perform analytical review on accounts receivable balances and compare with prior periods.	AR-02
3	Send confirmations to a sample of customers with significant outstanding balances.	AR-03
4	For non-replied confirmations, perform alternative procedures (e.g., examine subsequent receipts, sales invoices).	AR-04
5	Review aging analysis to identify overdue accounts and discuss with management their collectibility.	AR-05
6	Evaluate adequacy of allowance for doubtful debts based on aged receivables and historical trends.	AR-06
7	Check for any significant post-year-end receipts and their matching to year-end outstanding balances.	AR-07
8	Assess proper cut-off by reviewing sales transactions around the reporting date.	AR-08
9	Review supporting documents (contracts, invoices, correspondence) for material or unusual balances.	AR-09
10	Document all findings, exceptions, and conclusions.	AR-10

### Important Notes

- Procedures must be tailored to the specific risks and controls at the entity under audit.
- Evidence obtained should be sufficient and appropriate to support audit conclusions.
- All deviations and exceptions must be investigated and documented.
- This document should be updated regularly based on changes in business practices or audit standards.
- Professional judgement is required in determining sample sizes and the extent of procedures.