

Audit Committee



Audit of Finance Accounts Receivable

Presented by: Buddy Vargas, Audit Manager

September 12, 2023

Objective and Conclusion

Finance Accounts Receivable

Audit Objective

Determine if accounts receivable are properly reported and managed including collections and bad debt allowances.

Overall Conclusion

Accounts receivable are not properly managed.

Results

Finance Accounts Receivable

Positive Results

Effective procedures for journal entries

Refunds are properly supported and authorized

Results

Finance Accounts Receivable

Customer Master File

Supporting documentation not retained for creation and modification of accounts

- User guides not followed

Past Due Accounts

Collection efforts not documented or timely

Allowance for Doubtful Accounts

Allowance calculations are inconsistent

Allowance policies are outdated

User Access

User access was excessive

Finance Accounts Receivable

Finance management have agreed with the recommendations and have developed action plans to address the issues.

Anticipated completion: January 2024

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