

Audit Objectives

To obtain assurance that the procedures and controls over collection including the debt acceleration are adequate and effective by ensuring that:

General

- There is segregation of duties among these functions : custody of cash/cheque collected, deposit of cash/cheque received and the recording.
- KPI have been identified, into obtained and periodically reviewed to assess performance of collection.

Custody of Cash/Cheque Collected

- Adequate collection activities are undertaken to collect all amounts due and these intensify as the age of receivable increase.

Deposit of Cash/Cheque Received

- All cash/cheque received upon delivery of goods or upon service payment are promptly deposited in the company bank account correctly and completely.

Recording

- Cash/Cheque received transactions are recorded accurately and completely on a timely basis.
- All adjustment transactions are approved by authorized person.
- Customer aging has prepared for classifying and following of collection.
- Bad debt write - off are recording by the company policy.

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Audit Procedures

Items	W/P ref.	Performed by	Date	Remarks
<ol style="list-style-type: none"> 1. Obtain, review and appraise the policies, plans, and procedures in terms of their adequacy and effectiveness related to this area. 2. Obtain from the business unit head either personnel position descriptions or an outline of the duties and responsibilities of personnel (Job Description). 3. Obtain written authorized level related to this area. Inquire how frequently authority are reviewed.(Table of Authorization) 4. Review external audit M/L(if any). 5. Gain an understanding of the collection process through discussion with management and prepare a flowchart and narrative describing the collection function, including walkthroughs.(Interview Summary and Workflow) 6. Prepare and evaluate the effectiveness of segregation of duty by using the Segregation of duty form. 7. Identify and access risks and evaluate controls over risks by using Internal Control Questionnaires (ICQ). 8. Develop and execute test of key control and evaluate. 9. Summarize the results of the audit and prepare an audit report. 				

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Internal Audit Department	

Test of Controls

Items	W/P ref.	Performed by	Date	Remarks
Debt Control				
D1. Select Black list of 1-16 August of Debt Control division and compare to canceled credit report to ensure that : D1.1 All Black list are verified for line of credit.				
D2. Obtain suspension telephone number report of August 2000 to ensure that : D2.1 All new airtime customers exclude from such suspension customer .				
D3. Select Monthly Airtime Report of Group Bill Customer of July 2000 to ensure that : D3.1 All invoices are collected completely and correctly. D3.2 All receipt are issued from invoices.				
D4. Select 10 items of Notice Comparing Report and compare to Notice Register of July 2000 to ensure that : D4.1 All notices are issued correctly and completely.				
D5. Review Temporary receipt of bill collectors and Collection Register of May to July 2000 to ensure that : D5.1 All receipts are issued and recorded completely and accurately				
D6. Review blank forms of Temporary receipt its register to ensure that : D6.1 All receipt are issued and recorded completely	C2-07	CTN	16/8/00	

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Items	W/P ref.	Performed by	Date	Remarks
<p>and accurately.</p> <p>D7. Review controls of cash average / Shortage at WMD to ensure that :</p> <p style="padding-left: 20px;">D7.1 The control of cash overage / shortage is appropriate.</p> <p style="padding-left: 20px;">D7.2 All cash receipts are deposited to bank completely and correctly.</p> <p>D8. Review policy for write – off bad debts of airtime to ensure that :</p> <p style="padding-left: 20px;">D8.1 Method of write – off bad debts is appropriate.</p> <p>D9. Select 18 items of authorized credit memo of Accounting Dept. to ensure that :</p> <p style="padding-left: 20px;">D9.1 Reason of credit is appropriate.</p> <p style="padding-left: 20px;">D9.2 Allowable amount for credit is according to policy.</p>				