

Receivable Questionnaire

Internal Control Questionnaire

Question	Yes	No	N/A	<u>Remarks</u>
<p><i>The duties of accounts receivable record keeping should be segregated from the custodial and authorization functions. Further, adequate receivable sub-ledgers should be maintained and reconciled to applicable general ledger accounts. Finally receivables should be aged and reviewed, whereby established procedures should be followed for the collection of past due accounts and subsequent write-off of uncollectible receivables.</i></p>				
<p>1. Are credit and collection and write off policies and procedures current and in writing?</p>				
<p>2. Are these policies and procedures clearly stated and systematically communicated?</p>				
<p>3. Do these policies and procedures support internal control?</p>				
<p>4. *Are the responsibilities for maintaining detailed accounts receivable records segregated from collections, disbursement, and general ledger posting functions?</p>				
<p>5. *Are disputed liabilities handled by person(s) other than those receiving payment and record keeping functions?</p>				
<p>6. *Do controls in the system exist that provide assurances that individual receivable records are posted only from authorized source documents?</p>				
<p>7. *Are controls maintained that provide assurances that customer database and, where appropriate, usage records are accurately maintained to ensure that amounts due are billed?</p>				
<p>8. Are billings controlled and properly accounted for?</p>				
<p>9. *Is there adequate control over the mailing of statements to prevent interception prior to mailing?</p>				
<p>10. Are statements of account balance mailed on a timely basis, where appropriate (for example, in proprietary funds)?</p>				

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11. *Are aggregate collections on accounts receivable reconciled against postings to individual receivable accounts?				
12. *Are all valid receivables promptly recorded?				
13. Is the total of departmental accounts receivable outstanding reconciled to Advantage periodically?				
14. Are letters of credit reviewed for accuracy?				
15. Are aged accounts receivable balances periodically reviewed by supervisory personnel?				
16. *Do adequate procedures exist for follow-up and collection of delinquent accounts?				
17. Are there controls to insure that individuals with delinquent accounts are precluded from receiving additional credit?				
18. Are delinquent accounts reviewed and considered for charge-off on a timely basis?				
19. *Are write-offs or other reductions of receivables, including non-cash credits, credit memos, and allowances, formally approved by senior officials not involved in the collection and recording function?				
20. Do procedures exist that ensure that interest and penalties are properly charged on delinquent accounts?				
21. Are credit balances periodically reviewed?				
22. Does internal control appear adequate for the accounts receivable system overall?				

Other remarks concerning the evaluation of internal control for the receivable cycle:

* Question was designed to help identify risk factors that could result in errors, fraud, irregularities and/or illegal acts. When the question is answered "NO", the risk factor identified should be considered when analyzing the department's operations, and the completed questionnaire should be forwarded to Financial Controls.