



# Audit of accounts receivable

## Auditoría de la cuenta por cobrar

### Yuliana Andrea Correa-Tellez

Student of Public Accounting, [yulianaandreact@ufps.edu.co](mailto:yulianaandreact@ufps.edu.co), <https://orcid.org/0000-0003-1868-8408>, Universidad Francisco de Paula Santander, Cúcuta-Colombia.

### Luis Fernando Guardiola-Plazas

Master in Business Administration, Finance, [luisfernandogp@ufps.edu.co](mailto:luisfernandogp@ufps.edu.co), <https://orcid.org/0000-0002-6960-7906>, Universidad Francisco de Paula Santander, Cúcuta-Colombia.

### Carlos Fabian Rico-Rojas

Master in Business Administration -MBA, [ycarlosfa-bianrr@ufps.edu.co](mailto:ycarlosfa-bianrr@ufps.edu.co), <https://orcid.org/0000-0002-0834-0339>, Universidad Francisco de Paula Santander, Cúcuta-Colombia.

\*Autor de Correspondencia [luis-fernandogp@ufps.edu.co](mailto:luis-fernandogp@ufps.edu.co)



Editado por la Universidad Francisco de Paula Santander  
This is article the license CC BY NC 4.0

Received: Marzo 24 de 2021

Accepted: Mayo 28 de 2021

**How to cite:** Correa-Tellez, .Y.A., Rico-Rojas. C.F., Guardiola-Plazas. L.F. (2022). "Audit of accounts receivable" *UFPS Accounting Reflections* , 5 (2), 8-16. <https://doi.org/10.22463/26655543.3600>

## Resumen

El presente estudio tiene como objetivo analizar la incidencia de la auditoría en las cuentas por cobrar en los estados financieros para ello se realizó una investigación cuantitativa, con la finalidad de obtener información que permita identificar y comprender los procesos internos de las empresas, con diseño descriptivo y así recopilar información suficiente del manejo contable de las cuentas por cobrar y procedimientos de auditoría aplicables, por medio de la búsqueda de información en documentos normativos, bases de datos, revistas y libros. Se obtiene como evidencia y se logra identificar que la aplicación del marco integrado de control interno COSO 3 permite y contribuye en la determinación y reconocimiento de falencias en el sistema de control interno, las cuales poco aportan al buen cumplimiento de metas u objetivos planteados por la administración. A su vez se definen procedimientos de auditoría que permiten la verificación de deudores incobrables, a su vez una correcta gestión de crédito y cobranza; determinando si las cuentas pendientes de cobro que superan o no el plazo acordado y su vencimiento en número de días, si este último es muy alto se les debe dar un tratamiento contable adecuado como lo es el de deterioro de cartera, las cuentas por cobrar reflejadas en los estados financieros inciden significativamente pues estas constituyen un valor porcentual del valor de los activos totales de la entidad, en conclusión las cuentas por cobrar influyen en la capacidad de liquidez, y si estas no se gestionan de manera eficiente podrían causar inconvenientes a futuro lo cual afectará la eficacia operativa es decir, el cumplimiento de metas y objetivos.

## Abstract

The purpose of the present study is to analyse the impact of the audit on accounts receivable in the financial statements by conducting a quantitative investigation, in order to obtain information that allows to identify and understand the internal processes of the companies, with descriptive design and thus to collect sufficient information of the accounting management of the accounts receivable and applicable audit procedures, by searching for information in policy documents, databases, journals and books. It is obtained as evidence and is able to identify that the application of the integrated internal control framework COSO 3 allows and contributes to the identification and recognition of shortcomings in the internal control system, which contribute little to the good fulfillment of goals or objectives set by the administration. In turn, audit procedures are defined that allow the verification of bad debtors, at the same time a correct management of credit and collection; determining whether accounts receivable exceed the agreed deadline and their maturity in number of days, if the latter is very high they should be given appropriate accounting treatment such as portfolio impairment; the accounts receivable reflected in the financial statements have a significant impact as they constitute a percentage value of the value of the entity's total assets, in conclusion accounts receivable influence liquidity capacity; and if these are not managed efficiently they could cause inconvenience in the future which will affect the operational effectiveness that is, the fulfillment of goals and objectives.

**Palabras Claves:** Auditoría, Cuentas por Cobrar, Estados Financieros, Liquidez.

**Key Words:** Accounts Receivable, Financial Statements, Liquidity.

## Introduction

The financial audit is carried out with the objective of determining the economic and financial status by evaluating the control system and procedures of the activities or operations of the entity in accordance with the regulations in force and applicable to it. Huaraca, (2021). Carrying out a financial audit contributes favorably because it verifies the status in terms of weaknesses or efficiencies in the controls that are being applied or otherwise identify the absences in the controls with sufficient evidence, so that the audit team can issue improvement plan and recommendations in order to contribute to the fulfillment of financial objectives and goals set by the administration.

González and Sanabria, (2020). For companies or organizations, accounts receivable play a fundamental role, since they directly affect the liquidity of the entities. An inappropriate collection control or management system generates repercussions in the entity in terms of liquidity, since this is the capacity to meet obligations of less than one year, which are generally the payments for collaborators, fees, fixed administrative and operational expenses, by not correctly managing the accounts receivable originates or influences the non-compliance of the aforementioned obligations.

Every administration wants to know the influence that these sales have on the accounts receivable item in the financial statements by means of an audit to be able to determine if the management given to the portfolio has been adequate and in accordance with the capacity to grant credits and that these at the same time do not generate illiquidity, which otherwise is of benefit and strategy to attract customers and increase the level of sales.

This project seeks to know the incidence of accounts receivable in the financial

statements, determining the effects of the development of a portfolio audit in the financial statements of the organizations, with the objective of recognizing factors that strengthen the collection management and promotion of operational efficiency in the entities.

## Theoretical framework

### Financial Auditing

Calderon, (2017). Financial audit is an accumulation of systematized procedures, performed by auditors, in accordance with the applicable legal and/or current regulations and methodologies, whose purpose is to obtain and independently evaluate economic and administrative facts of an entity, in such a way as to identify the degree of veracity of such events in accordance with the provisions of regulations and legal provisions". From the above and according to the opinion of the authors, it can be deduced that a financial audit is the work carried out by a professional who performs procedures following technical guidelines based on standards established and issued by the International Federation of Accountants (IFAC) through the International Auditing and Assurance Standards Boards (IAASB). It seeks to determine a degree of certainty and reasonable assurance of the economic, financial and administrative information.

According to Elizalde, (2018). A financial audit is of vital importance regardless of the main objective of the organization, it is necessary to identify the state or financial situation resulting from the activities under the management direction, in order to address facts or possible problems that are arising. According to the opinion of the authors, it can be deduced that financial auditing plays a very important role for entities or organizations, to identify the real financial status resulting from the decisions made by the administration and/or management of the company and thus mitigate any possible

risk or fraud situation.

Gamboa, Hurtado, Ortiz and Barragán. (2017). The objective of financial auditing is the evaluation of the financial statements and the information determined therein, which allows the auditor to issue a report or opinion supporting or not the reasonableness of these in relation to the regulatory provisions and GAAP. As stated by the authors mentioned above, the audit seeks to determine whether the processes carried out and related to the accounting and financial area are being objective and adequate, i.e. these processes are evaluated and thus the auditor in charge issues an opinion in his report according to the results obtained as to whether the information contained in the financial statements is true and reliable and whether or not they are adapted to the regulatory framework, its objective is to rule on the actual financial situation supporting the reasonableness of the same.

Sierra, (2020). Indicates that an auditor in the financial area must have sufficient accounting discernment to practice, but the latter alone is not enough because it must be characterized by its integrity, with knowledge of principles and professional ethical foundations with a focus on globalization which allows articulating the product of executions of the processes carried out in search of development in satisfied customers or organizations. The auditor's work focuses not only on the established processes and techniques to be applied, but also influences his character and ethical stance that must prevail over the accounting and auditing processes to be applied, maintaining an image of integrity, being objective and independent, among other personal and/or moral ethical principles of the accountant.

### International Standards on Auditing (ISA)

Manrique, (2019). Set of ordinances at international level, applicable in audits of financial statements, in turn these standards are adapted according to the case the international financial reporting standards, according to the opinion of the author the ISAs are standards issued internationally to be implemented in the work of audits or as he indicates in related services, these standards have a structure applicable and adaptable to the work to be executed.

Posso, Alegria and Moreno, (2018). Within the 70's the ISAs are created, as a result of unifying and standardizing auditing procedures, which at the time were instructed by the generally accepted auditing standards or better known as NAGAs-Generally Accepted Auditing Standards. Instituto Técnico de Contadores Públicos Colombia. As expressed by the authors mentioned above, the ISAs arise with the purpose that the procedures performed in financial audits are executed under the same guidelines according to the characteristics of each entity, each professional in this area must follow these techniques according to the appropriate guidelines to provide an audit with quality standards and understandable worldwide.

Alfaro, (2011). The purpose of the ISAs is that the standards and guidelines are established on the meaning of knowing the entity, since it is of vital importance for the audit group who perform the work due to its relevance in the facets of the audit and the obtaining and use of knowledge, according to the above, the ISAs seek an adequate audit, that these follow the appropriate guidelines to the entity according to the activities that it performs based on the knowledge of the same, We can deduce that the ISAs, according to the author's approach, seek to highlight the importance of knowing the

business in which the audit will be performed, these standards in their structure show us the importance of the stages or phases for the execution of the work, because according to this the standard indicates what and how to treat the results obtained and findings found so that when issuing an opinion this is expressed with reasonable assurance and in accordance with applicable standards.

### **International Financial Reporting Standards (IFRS).**

García, Dueñas & Mesa (2017). The International Financial Reporting Standards IFRS are a set of standards issued by the International Accounting Standards Board IASB. According to the above, the authors indicate that the IFRS were implemented in response to the effects generated by Globalization, therefore, as of 2010, approximately 120 countries or perhaps more began to require them, since they issue or indicate the processes of accounting records and presentation of financial information according to the type of business activity.

Palma, (2019). "The implementation is necessarily made visible because of economic globalization and for this it is required standards as a whole that allow all entities to relate in their economic activities. The Niifs seek to unify the accounting language to facilitate the reading comprehension of the financial statements, their comparability from one period to another, and thus allow the entry into the business of foreign investors, and those who are interested in investing and for this they need to know the real financial situation of the entity, which is possible with the application of IFRS because the information there becomes reliable and comparable.

López and Viasus, (2020). The incorporation of accounting policies in the IFRS is one of the most relevant aspects of the

standard, these policies must be agreed and associated since they are significantly related to the preparation of financial statements. According to the authors mentioned above, the IFRS brought about representative changes, such as the accounting policies that must be implemented according to the activities or the way in which companies operate in the market, in addition to these, the way in which financial information was presented also changed in terms of names: Previously it was known as balance sheet, currently it is named Statement of Financial Position, the statement of profit and loss now receives as Statement of Comprehensive Income, Changes in Equity and Statement of Cash Flows, also to the financial statements must be added notes that detail them and not only changes in the names, the form of measurement, initial and subsequent recognition, disclosure and presentation of accounting processes.

Estupiñán, (2020). The IFRS regulatory framework is the same for all countries, but may present different complications in each of them. The IFRS are guidelines to be followed by companies in different countries, but their implementation is governed according to the regulations and/or legal framework of each country, according to the author it is important to indicate that in Colombia IFRS are regulated by Law 1314 of 2009, which indicates the applicability of international financial reporting standards in the country's companies, In this same law determines some groups, i.e , entities are classified in three groups based on their activities or way of operating in the market, the amount of income and their equity, making the convergence process easier, because according to the group they belong to, the regulations are applied.

## Methodology

This study will apply the type of descriptive research with quantitative approach in order to obtain information that allows to recognize and compare the audit processes in accounts receivable and understand the internal processes of the companies, in addition to the documentary analysis.

The techniques to be used for the analysis of the information is the documentary and strategic, in the documentary one it is sought to obtain information that serves as a guide at the moment of the planning and execution of the audit in the accounts receivable of the company, the research of information by means of documents and applicable regulations, databases, magazines and books that allow to obtain information for a correct planning and execution of the project.

And the strategic analysis that seeks to obtain organizational information of the processes with appropriate audit techniques in order to carry out a quality audit to determine the impact of accounts receivable in the financial statements and contribute to the proper management of accounts receivable.

## Results and discussion

Evaluating the internal control system by applying COSO III questionnaires allows identifying some shortcomings classified by components:

### Control environment:

- In this component some shortcomings are identified and among the most common are related to ethical conduct as they are not properly documented in an ethics manual indicating how to proceed in cases of dilemmas or conflicts.

- It is also identified whether or not the entity has a manual that describes guidelines and procedures to be performed financially, accounting and operationally, in the results it is determined how the collaborators exercise either based on their knowledge or are governed by what is established, this is also described in the results if the entities have a labor incentive plan that contributes to the welfare of employees and these remain motivated to continue improving for themselves and the company.

### Risk assessment:

- Regarding risk assessment: it is determined if the implemented strategic planning achieves to culminate the general objectives of the entity and if this is adequate or requires to be updated, otherwise that gives at risk the fulfillment of these same, in addition is lack of communication between collaborators and management.

- Risk management has shortcomings since they are not defined and identified and they are not frequently evaluated, and the analysis of possible risks is taken into account when it is evident, i.e. risks are not mitigated in a timely manner.

### Control activities:

- Usually the entities do not have a risk matrix to mitigate them and to be able to exercise preventive controls adequately in the different areas of the company.

- Regarding the preventive controls in the operative area, it is very important to recognize their efficiency, if they are documented according to internal guidelines and their compliance.

### Information and communication:

- Evaluating this component shows that the absence of documented controls means that the strategies are not communicated correctly,



likewise the communication of relevant information that each employee can provide to the management is not always effective.

- It is identified whether the communication parameters are clear or not taken into account and their usefulness is generally minimal, since direct information is not always obtained between management and personnel.

Supervision and monitoring activities:

- The purpose of this activity is to verify whether the controls are being adequately monitored and evaluated to determine whether they contribute to the fulfillment of objectives.

- Some deficiencies in controls are continuous due to the low relevance or importance given by management, although they are already identified, i.e. risks are not continuously mitigated.

Verification of the existence of uncollectible debtors in the entity and its accounting calculation method is based on the selection of statistical or non-statistical sampling with random, systematic, fortuitous, accidental, incidental or block selection in accordance with NIAS 530 (Audit Sampling) where the sample population is the debtor clients as of December 31st, In accordance with the above, an external confirmation procedure is performed using the audit technique of circularization to third parties in order to confirm the balances pending collection as of the audited cut-off date, for which a request must be sent to the selected sample, whether positive, negative, no answer or non-conforming answer NIAS 505 (External Confirmation).

As a result of the procedure applied, reliable and relevant evidence was obtained, which is what is sought; where each client selected as part of the sample indicates whether they agree with the value or balance

of the portfolio as of the cut-off date indicated, the clients responded positively or negatively to the request sent, giving acceptance to the value reported therein, being able to verify and confirm that the accounts receivable exist and the data and information provided by management is real and truthful.

It is important to ask the management for support of these accounts receivable, as this allows to determine if they are supported by the corresponding invoices that comply with the legal and regulatory provisions, at the same time verifying whether or not these invoices indicate the agreed terms and form of payment.

The review or analysis of the credit and collection management indicators makes it possible to determine the percentage of participation of accounts receivable according to the number of days past due or close to maturity, which contributes to the analysis of portfolio management indicators, since it identifies accounts with payment default for periods or days longer than those agreed and thus give them an appropriate accounting treatment such as portfolio impairment, taking into account different factors that affect compliance by customers at the time of payment.

The analysis of the financial statements identifies the percentage that accounts receivable represent over the value of total assets, and determines the variation presented in comparison to the year prior to the audited year, and these variations arise as a result of the strategic application of sales and attracting customers who, upon obtaining this benefit, take preferences with the entity and its products offered.

The financial ratios indicate the real state of the entity according to the analysis and interpretation and it is obtained as a result that the company has sufficient working capital and sufficient liquidity to cover its short-term

obligations and continue with its operations without resorting to third party financing sources and as for the portfolio turnover it is determined the number of days that the entity delays in converting its accounts receivable into cash ratifying the importance of credit and collection policies.

## Conclusions

Adequate control and follow-up of the internal control system contributes to the fulfillment of the entity's proposed objectives and goals, since it is possible to detect shortcomings in the execution of activities on a daily basis, since in evaluating the system there are deficiencies caused by the absence of guidelines in the procedures, which are not reflected in documents by means of manuals and policies of the entity.

The verification of uncollectible accounts receivable allows to identify which are the customers that are difficult to collect, balances that exceed the number of days according to the agreed payment time and identifies if the accounting method is defined or otherwise does not exist, also with the audit technique of circularization of third parties sufficient evidence is obtained on the values and/or balances recorded are correct and are supported with documents or electronic invoices.

The accounts receivable reflected in the financial statements have a significant impact since they constitute a percentage of the value of the entity's total assets, which is related to the entity's liquidity capacity, since these accounts are expected to be recovered within the terms agreed with the clients to whom this benefit is granted, and although the entity has a good margin of portfolio recovery, if it is not given sufficient importance, the present shortcomings may become inconveniences in the future or in the long term.

## Bibliography

- Congreso de la Republica. (2009) Diario Oficial No. 47.409 de 13 de julio de 2009. Tomado de: [http://www.secretariasenado.gov.co/senado/basedoc/ley\\_1314\\_2009.html](http://www.secretariasenado.gov.co/senado/basedoc/ley_1314_2009.html)
- Diana, P. (2017). Auditoría Financiera y contable. Fundación Universitaria del Área Andina. Tomado de: <https://digitk.areandina.edu.co/bitstream/handle/areandina/1297/Auditoria%20Financiera%20y%20Contable.pdf?sequence=1&isAllowed=y>
- Escalante D., Pedro P. (2014). Auditoría financiera: Una opción de ejercicio profesional independiente para el Contador Público. Actualidad Contable Faces, 17 (28) ,40-55. ISSN: 1316-8533. Disponible en: <https://www.redalyc.org/articulo.oa?id=25731098004>
- Elizalde, L. (2018). Auditoría financiera como proceso para la toma de decisiones gerenciales Revista Observatorio de la Economía Latinoamericana,. Tomado de: <https://www.eumed.net/rev/oel/2018/10/auditoria-financiera-decisiones.html>
- Estupiñán, J. (2020). Metodología aplicada en las investigaciones sobre la implementación de las Niif en Colombia. Universidad Libre, Colombia. Recuperado de: <http://www.unilibre.edu.co/bogota/pdfs/2020/ponencia-contametrica-2020-B4.pdf>
- Forero, A., Forero, L., & Cerquera, H. 2017. La auditoría financiera y su influencia en el sector empresarial. Revista Facultad de ciencias contables, económicas y administrativas 7 (1) 50-57. Recuperado de: <https://editorial.uniamazonia.edu.co/index.php/faccea/article/view/229>
- Gamboa, J., Hurtado J., Ortiz, A., & Barragán, C. (2017). Propuesta de caso práctico para la enseñanza de la materia de Auditoría Financiera. Revista Publicando, 4(12 (1),



- 627-641. Recuperado a partir de: <https://revistapublicando.org/revista/index.php/crv/article/view/729>
- García, S. Dueñas, R. & Meza, A. (2017). Una Interpretación estratégica de las NIIF para pymes en Bogotá. *Revista Logos Ciencia & Tecnología*, 9(1), 141-155. Tomado de: <https://doi.org/10.22335/rlct.v9i1.371>
- Gonzales, P & Sanabria, S. (2020) Gestión de cuentas por cobrar y sus efectos en la liquidez en la facultad de una universidad particular, Lima, periodo 2010-2015. *Revista de investigación valor contable*, 3(1), 57 - 72. Recuperado de: <https://doi.org/10.17162/rivc.v3i1.1232>
- Huaraca, M. (2021). La auditoría financiera y su incidencia en los estados financieros en la empresa servicios especializados y logísticos en general s.a. Selegsa Ate, lima 2019. [Tesis de pregrado Universidad Peruana de las Américas, Lima, Perú]. Tomado de: <http://repositorio.ulasamericas.edu.pe/handle/upa/1396>
- López, V. & Viasus, A. (2020). Aplicación de las NIIF en Colombia comparado con Uruguay.[Tesis de pregrado, Universidad Jorge Tadeo Lozano]. Recuperado de: <http://hdl.handle.net/20.500.12010/16676>
- Manrique, J. (2019) Introducción a la auditoría. Universidad Católica de los Ángeles Chimbote. Tomado de <http://repositorio.uladech.edu.pe/bitstream/handle/20.500.13032/14790/INTRODUCCION%20A%20LA%20AUDITORIA%20%281%29.pdf?sequence=3&isAllowed=y>
- Palma, P. (2019). Análisis de la NIIF para pymes: provisiones y contingencias en la Empresa DISTPROLABECUADOR S.A. [Tesis de Pregrado, Instituto Superior Tecnológico Bolivariano de Tecnología]. [https://rraae.cedia.edu.ec/Record/ITB\\_dbd2c-0493d6a322366f892963579cbcd](https://rraae.cedia.edu.ec/Record/ITB_dbd2c-0493d6a322366f892963579cbcd)
- Posso, L., Alegría, L., Moreno, C. (2018). Aplicación de normas internacionales de auditoría en la entidad comercial Distridose S.A.S. [Tesis de Pregrado, Universidad Cooperativa de Colombia]. Tomado de: [https://repository.ucc.edu.co/bitstream/20.500.12494/7615/1/2018\\_aplicacion\\_nias\\_distridose.pdf](https://repository.ucc.edu.co/bitstream/20.500.12494/7615/1/2018_aplicacion_nias_distridose.pdf)
- Sierra, A. (2020). El papel del auditor financiero como agente de cambio en los procesos de gestión de calidad. [Tesis de pregrado, Universidad Militar Nueva Granada] Recuperado de: <http://hdl.handle.net/10654/37928>