ERRORS AND DISCREPANCIES:

The following Credit Memorandums were put through without the proper approvals:

Issued to	Number	Date	Amount
Hancock Paint and Varnish Company	77	9/30/36	$ 7.88
National Lead Company	78	9/30/36	6.50
Robbins Tire and Rubber Company	82	10/19/36	26.80
McKesson Western Wholesale Drug Company	83	10/27/36	70.00
Devoe Raynolds Company	88	10/31/36	9.40
E. R. Squibb and Sons	2	1/14/37	32.67
San Francisco Sulphur Company	1	1/15/37	8.46
C. B. Webb Company	3	1/18/37	1.45
Smith Chemical and Color Company	4	1/19/37	19.12
Fitz Warehouse and Distribution Company	13	3/31/37	17.96

Approvals was secured on the above listed credit memorandums.

GENERAL REMARKS:

CUSTOMERS LEDGER:

These accounts as a whole were found to be in good shape. Considering the volume of accounts, there was found to be a very small percentage of slow and bad accounts on the books. During period of this audit, August 1st, 1936 to March 31st, 1937, inclusive, $39.08 was charged off to Bad Debts.

There was found to be considerable carelessness in the reconcilliation of open items in accounts and the calling of same to customers attention.

There was also found to be carelessness in omitting past due accounts from the "Overdue Statement".

DISCOUNTS:

It was noted on the Customers Ledger of Anaconda Sales Company, White Lead and Zinc Oxide Departments, that numerous accounts are open due to unallowable discounts.

The practice has been to allow customer discount only when remittance is received within the alloted time, and frequently discounts not allowed were never called to customers attention. I have requested that in the future, all discounts be accepted and credited accordingly, and in the cases where discount is not allowed, that customer be billed back with amount of discount on date remittance is received by this office, with detailed invoice covering same.

The General Ledger account "Discounts Allowed" is cleared each month to the White Lead and Zinc Oxide Departments of the International Smelting and Refining Company. Owing to the occasional posting of receipts to the wrong set of books and the sources of charges and credits to this account, it has been the practice not to journalize every transaction in this account. Discounts accrued through Cash Book, Sales Journal, etc., are analyzed monthly to obtain discount figure used on Classified Trial Balance.