

Type: System **SUBJECT: Bank Reconciliation** Date: June 2008

Introduction

An annual review was undertaken on the Bank Reconciliation process to verify how the process operates and assess if the problems experienced in the previous years have been fully resolved.

Scope and Coverage

The audit review was undertaken using the systems-based auditing approach, identifying the system and controls, evaluating and testing in relation to the system objectives.

This audit is at interim stage. Verification to the main accounting system has been completed and further work is continuing. All documentation is being updated as appropriate. Findings, conclusions and recommendations will be discussed with management prior to inclusion in a formal report or memorandum.

The Bank Reconciliation process performs its primary role in agreeing the cash book to the bank account(s) but additionally it is used for verifying the integrity of the ledger. The audit has examined the March 2008 main reconciliation in terms of completion and authorisation.

Recommendations

High/Significant risk recommendations – none

A number of recommendations were made all of which are low risk.

Governance Statement Assessment

A greater degree of control has been introduced into the bank reconciliation process. This is an interim report to confirm the completeness of the ledger.