

Type: System **SUBJECT: Main Accounting System** Date: August 2007

Introduction

A current accounting system was introduced during 2004/05, this being Agresso's Business World Financial Management System. The system is functioning well after the initial post implementation problems.

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.

All documentation has been updated as appropriate. Findings, conclusions and recommendations have been discussed with management prior to being included in a formal report or memorandum.

The audit has examined opening balances, ledger balancing, feeder system control accounts, bank reconciliation (as a control), suspense accounts, journals, access controls and the continued customisation of the Agresso system.

Recommendations

High/Significant risk recommendations – None

The remaining recommendations were either medium or low risk. All have been agreed and Management are implementing these.

System Control assessment

Since the last audit there has been a significant improvement with a number of control risks associated with the main accounting system being removed. The introduction of monthly agreements between the general ledger and the cash book has introduced both separation of duties and a much needed control over the accuracy and completeness of these prime books of account. The development of the Agresso product is also progressing.