

Type: System **SUBJECT: Bank Reconciliation** Date: August 2010

Introduction

An annual review was undertaken on the Bank Reconciliation process to confirm how the process operates and verify agreement with the general ledger.

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 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 2010 main reconciliation and the payment account reconciliation in terms of completion and authorisation.

Recommendations

High/Significant risk recommendations – None

No recommendations were made.

Governance Statement Assessment

Monthly agreement of the general ledger cash account to the cashbook is now an integral part of the bank reconciliation process. The 2009/10 monthly bank reconciliations have been undertaken in a timely manner. The revised Cheque Reconciliation process is operating well with just a few minor issues. No major weaknesses have been identified in either reconciliation.