

Type: System **SUBJECT: Bank Reconciliation** Date: July 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.

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. Payments and returns bank account reconciliations have also been examined and re-performed in depth.

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.

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. There has been a considerable improvement in all aspects of the Authority's bank reconciliation processes.