

Rooksdown Parish Council

Bank Reconciliation Procedure

v1.2 adopted July 2018

1 Financial Regs

Clause 2.2 states:

On a regular basis, at least once in each quarter, and at each financial year end, a member other than the Chairman shall be appointed to verify bank reconciliations (for all accounts) produced by the RFO. The member shall sign the reconciliations and the original bank statements (or similar document) as evidence of verification. This activity shall on conclusion be reported, including any exceptions, to and noted by the council.

2 The Purpose

From the above, the purpose of the bank rec is to show that the closing balance on the cashbook (ie the accounts system) at a given date is the same as on the bank statement. The checking and signing of it is just making sure that the RFO has checked they are OK, or if they're not, there is a good reason. Therefore (assuming the RFO has do their job properly) all the designated member needs to do is check the closing balance against the statement, sign the reconciliation and the statements.

3 The Procedure

Therefore the procedure is:

- The Clerk enters all transactions in the cash book
- The Clerk receives a statement, reconciles the accounts and check they balance
- The Clerk prints out the reconciliation(s) showing they balance
- Council appoints/asks a member to check:
 - The “Balance as per bank statement” on each reconciliation is the same as the “Balance on [date]” on the statement
 - Any discrepancies (ie uncleared payments listed on the reconciliation) are obvious or are explained by the Clerk and minuted.
- The designated member then signs reconciliation(s) and the statements.
- If the member is not happy for any reason they should make an appointment with the Clerk to look more closely at the accounts to satisfy themselves that all is OK

Note that it is not a requirement to approve reconciliations every month, but this is good practice.

4 Summary Instructions

Member:

- Checks:
 - “Balance as per bank statement” on the reconciliation equals
 - “Balance on [date]” on the statement
 - Any discrepancies are obvious, explained and/or minuted
- Signs the reconciliation sheet(s) and statement(s)