

## ABERDEEN CITY COUNCIL

---

<b>COMMITTEE</b>	Audit and Risk
<b>DATE</b>	8 June 2010
<b>REPORT BY:</b>	Head of Finance
<b>TITLE OF REPORT</b>	Bank Reconciliation Progress Report
<b>REPORT NUMBER:</b>	CG/10/109

---

### 1. **PURPOSE OF REPORT**

- 1.1 To update Committee, as instructed, on progress to date in relation to the Bank Reconciliation process and the implementation of an automatic Bank Reconciliation process.

### 2. **RECOMMENDATION(S)**

- 2.1 It is recommended that the Committee:  
a) note the current progress on maintaining the bank reconciliations.

### 3. **FINANCIAL IMPLICATIONS**

- 3.1 The costs of the bank reconciliations team are met from existing budgets in 2010/11, and while the staffing level is enhanced through the use of an employee on a temporary contract the overall costs will be managed within the total sum available for Finance.

### 4. **SERVICE & COMMUNITY IMPACT**

- 4.1 The impact on Services is that there has been a redesign of new business processes and the implementation of the e-returns (cash receipting) system across the Council (excluding sports centres and facilities) has meant a standardisation of the way in which all Services process their income.
- 4.2 The ICT and Revenues resources, from within Corporate Governance, that have been in place to support this project remain in place in order to continue the development of the system and associated processes.

## 5. OTHER IMPLICATIONS

- 5.1 The bank reconciliation is a key control and as such it is important to maintain the 'up to date' position reached in order to ensure that transactions are properly and appropriately recorded and accounted for on a timely basis.
- 5.2 The focus is now on maintaining the various reconciliations using the technology in place and improving the reporting arrangements.
- 5.3 The team was located for much of 2009/10 at Summerhill Centre but has, in the last few months, returned to the City Centre and is now based in St Nicholas House.

## 6. REPORT

### **Background**

- 6.1 The bank reconciliations were brought up to date for inclusion within the Council accounts for 2008/09 and since then have been successfully maintained.
- 6.2 During this time a project manager was taken on to manage the implementation of the automated bank reconciliation module with costs being met from the Corporate Revenue Investment Fund.
- 6.3 Following a successful pilot project that focused on one bank account the roll-out to all bank accounts commenced in October 2009 and the most complex account – the Council's General Account – went live in February 2010.

### **Progress**

- 6.4 This report follows on from the update provided to the Audit and Risk Committee at its meeting of 27 April 2010.
- 6.5 Since then there continues to be good progress in relation to the bank reconciliation, with continuing timely and robust clearance of items from the reconciliation.
- 6.6 As at the time of writing the preparation for a comprehensive year end report on the reconciliations as at 31 March 2010 is being finalised and final ledger entries are being made.
- 6.6 The daily tasks in relation to the maintenance of the automated bank reconciliation module continue to be processed by the staff in the team and there is also a manual reconciliation of the income from sports centres across the Council.

- 6.7 Due to career advancement within the Council one of the team left in early May and the Finance team have immediately re-arranged the workload of others, as well as making use of a member of staff provided by the Corporate Income / Debt Manager. This additional resource has been secured until the end of June 2010.

**Next Steps**

- 6.8 The next steps are to continue the daily routine of reconciling the various accounts, resolving any day to day issues that arise, including the support to e-returns users.
- 6.9 There is then the regular review of processes and the system to ensure that technical improvements can continue to be made to system set up. In order to maintain this focus there remains an operational group, chaired by the Corporate Accounting Manager that meets regularly with the objective of delivering the identified improvements.
- 6.10 During May 2010 internal audit has carried out an audit of the bank reconciliations and a draft report is imminent, which will, once finalised, inform external audit and allow them to determine the level of reliance they can place upon the process.
- 6.11 A further progress report will be prepared for the next meeting of the Audit and Risk Committee.

7. **REPORT AUTHOR DETAILS**

Jonathan Belford, Corporate Accounting Manager  
[jbelford@aberdeencity.gov.uk](mailto:jbelford@aberdeencity.gov.uk)  
01224 522573

8. **BACKGROUND PAPERS**

None