

Finance and Accounting Manual

Reconciliation Procedures - Balance Sheet Accounts

Approved by the Chief Financial Officer on 15 March 2011
Date of effect: 15 March 2011. Updated: 25 September 2012.
Administrative amendments: 29 May 2017

1. Overview

1.1 Purpose

Balance Sheet account reconciliations are to be reviewed by Financial Control and Treasury and Faculty Accountants on a quarterly basis, at the end of March, June, September and December to satisfy management and audit requirements.

All Balance Sheet account reconciliations should be prepared and reviewed locally on a monthly basis and each quarter the reconciliation schedules should be sent to the relevant Faculty Accountant or to Financial Control and Treasury.

1.2 Coverage

This procedure applies to all University staff involved in Balance Sheet account reconciliations, Faculty Finance Teams and Financial Control and Treasury.

2. Procedures and Guidelines

2.1 General Information

Balance Sheet Accounts covered by this procedure include account classifications in the range 0025 Expense Advances to 1699 Reserves, for all responsibility centres and projects, excluding classification 0026 Petty Cash and 0027 Imprest (these reconciliations are included in the recoup form). The [Reconciliation Statement](#) form is to be used.

2.2 Faculty or University School Review

(i) Faculty or University School Accountants are to ensure that Balance Sheet account reconciliations are received each quarter from their areas of responsibility and that the reconciliations are reviewed. This ensures that relevant supporting documentation/information is provided to explain the balance in the account and any corrective action is then promptly taken.

(ii) All Balance Sheet accounts as at 31 March must be reconciled by 15 April. However, asset/liability/reserve accounts where balances do not change through the year can be omitted from the quarterly reconciliations. All suspense/clearing accounts (classes 1100 to 1299) must be reconciled each quarter regardless of their balance.

(iii) Faculty or University School Accountants must ensure that relevant supporting documentation is attached to the reconciliation statement and that corrective action is taken by the responsibility centre. The Faculty or University School Accountant or their nominee is to liaise and provide financial advice to the areas to assist them with their reconciliations and to follow up with the areas to ensure that corrective action is taken. The Faculty or University School Accountant should refer any matters of concern to Faculty Manager for assistance and advice.

(iv) Faculties or University Schools are advised to use Hyperion report SUGLQ105 to obtain GL balances and use SUGLQ104 to obtain journal transactions for the quarterly reconciliations.

(v) Faculty or University School Accountants are to send the certification to Financial Control and Treasury each quarter confirming that the reconciliations have been prepared for the listed accounts and that the reconciliations are available for review/audit purposes.

2.3 Financial Control and Treasury Review

Financial Control and Treasury have two responsibilities for Balance Sheet account reconciliations:

- (a) Coordinating the quarterly balance sheet reconciliations for the Administration portfolios.
- (b) Oversighting Faculty reconciliations.

2.3.1 Coordinating the Quarterly Balance Sheet Reconciliations for the Administration Portfolios.

(i) Financial Control and Treasury are to ensure that reconciliations are received each quarter from the Administration portfolios and that the reconciliations are reviewed to ensure that relevant supporting documentation/information is provided to explain the balance in the account and any corrective action is then promptly taken.

(ii) All Balance Sheet accounts must be reconciled quarterly.

(iii) Action required by Assistant Accountant in Financial Control and Treasury for the reconciliations:

- (a) Financial Control and Treasury reviews all numerical responsibility centres, control accounts with A0XX and Summer School A33XX. Financial Control and Treasury also reviews classifications 08XX and 0925 managed by Investments and 06XX managed by Asset Management, regardless of the responsibility centre. The Faculties review the other classifications.

PeopleSoft query report SUGLQ146 was developed to assist with the reconciliations required for Financial Control and Treasury. It will also be necessary to include all responsibility centres for classes 0817, 0818, 0821 and 0925 which come under Investments and class 0675 which comes under Asset Management.

- (b) The responsibility centre determines the person and area that the account should be reconciled by. Check against the previous quarterly returns.

Note: Investments and Fixed Assets are responsible for specific classes regardless of the responsibility centre (see (a) above).

- (c) Within one week after the end of month, issue a Reconciliation Letter (see appendix A), reconciliation statement, schedule with account details and YTD balance to the person responsible for completing the reconciliation. The reconciliations are due within 2 weeks of the issue of this letter.
 - (d) Within one week after the reconciliation statement is due, issue a Reconciliation Letter - First Follow-up (see appendix B) to Manager's for all outstanding reconciliations signed by the Senior Accountant Reporting, giving the Manager's one week to have the outstanding reconciliations sent in.
 - (e) If the Manager's follow up memorandum in (d) above has not produced the reconciliation, issue a Reconciliation Letter-Second Follow up (see appendix C) to the relevant PVC/DVC signed by the Director.
 - (f) The Accountant, Financial Control and Treasury must ensure that relevant supporting documentation is attached to the reconciliation statement and that corrective action is taken by the responsibility centre. The Accountant is to liaise and provide financial advice to the areas to assist them with their reconciliations and to follow up with the areas to ensure that corrective action is taken. The Accountant should refer any matters of concern to the Senior Accountant Reporting for assistance and advice.
- (iv) All reconciliation statements received must be filed in classification order in folders for easy referral. A spreadsheet should be maintained on all balance sheet accounts and their quarterly balances with the details as to the purpose of the account, name of the person that completed the reconciliation, manager's name, whether the reconciliation was received and any comments or issues on the reconciliation.

2.3.2 Oversighting Faculty Reconciliations.

- (i) Financial Control and Treasury have an audit and management responsibility for ensuring that Balance Sheet account reconciliations are regularly reviewed and prompt corrective action taken. Faculty and University School Accountants are responsible for oversighting their areas of responsibility on a quarterly basis, however, Financial Control and Treasury should review the Faculties' reconciliation documentation.
- (ii) The Accountant in Financial Control and Treasury may select a sample of accounts to review, including large balances, old entries and incorrect surplus or deficit amounts if necessary. Written advice on the issues identified in these reviews should be sent to the Faculty Accountant with a copy to the Faculty Manager.

2.3.3 Check of all balance sheet accounts and balances for audit review

- (i) Run query SUGLQ105 in Hyperion with respective responsibility centres, and all class "tick off box".
- (ii) Export to Excel and save.
- (iii) Ignore 0026, 0027, 17XX and 18XX classes as these do not need reconciliation schedules.

3. Internal Controls

3.1 Responsibilities/Accountability

<i>Officers</i>	<i>Responsibilities</i>
Senior Accountant Reporting	<ul style="list-style-type: none">• Oversight of the quarterly Balance Sheet account reconciliations
Accountant Reporting, Financial Control and Treasury	<ul style="list-style-type: none">• Coordination and review of the quarterly Balance Sheet account reconciliations
Faculty Accountants	<ul style="list-style-type: none">• Coordination and review of the quarterly Balance Sheet account reconciliations
Finance Staff	<ul style="list-style-type: none">• Preparation and review of monthly Balance Sheet account reconciliation schedules
Supervisors	<ul style="list-style-type: none">• Review of monthly Balance Sheet account reconciliation schedules

4. Related Information

4.1 Resources and weblinks.

(i) Training Materials

(ii) References

- [Finance and Accounting Manual](http://sydney.edu.au/finance/about/az)
sydney.edu.au/finance/about/az

(iii) Forms

- [Reconciliation Statement](http://sydney.edu.au/finance/docs/reconciliation_statement.xls)
sydney.edu.au/finance/docs/reconciliation_statement.xls

(iv) Appendices

- Appendix A: Reconciliation Letter
- Appendix B: Reconciliation Letter - First Follow-up
- Appendix C: Reconciliation Letter - Second Follow-up

4.2 University procedures superseded or replaced by this procedure:

- Finance and Accounting Manual
 - Reconciliation Procedures: 1 October 2006

5. Contact and Review

5.1 Contact

Unit: Financial Control and Treasury
Phone: 9351-5086
Fax: 9351-5861

5.2 Review

The Chief Financial Officer will approve changes to financial procedures and guidelines and will co-ordinate changes to financial policy, with the Vice-Chancellor delegated to approve University financial and infrastructure policy.

Amendments to forms, schedules and weblinks will be processed by Financial Services.

Amendments to the Finance and Accounting Manual procedures and forms are listed on the Financial Services website under:-

- [FAM Amendments](#)
- [Amendments to Forms](#)

Please forward suggestions and comments on the Finance and Accounting Manual via the [Feedback Form](#).

Appendix A: Reconciliation Letter



THE UNIVERSITY OF
SYDNEY

Anthony Houison
Senior Accountant Reporting
Financial Control and Treasury
Margaret Telfer Building, K07,
The University of Sydney, NSW 2006

e-mail: tony.houison@sydney.edu.au
Telephone 9036 7098
Facsimile 9351 5861

RECONCILIATION LETTER

To: *(as per distribution list)*

From: Anthony Houison
Senior Accountant Reporting

Date:

Subject: **QUARTERLY BALANCE SHEET RECONCILIATIONS**

Reconciliations for *(date)* are to be completed by the *(date)* for the balance sheet accounts listed on the attached schedule. Some balance sheet accounts **have not** been included in the attached schedule and do not require a reconciliation statement for this quarter (ie, where the account is not a clearing/suspense account and the balance is the same as the December balance).

The Reconciliation Statement form can be found on the Financial Services website under: sydney.edu.au/finance/docs/reconciliation_statement.xls.

Please complete the reconciliations for the accounts listed and forward the original to **Mrs Angelina Melchor**, Financial Control and Treasury, K07 together with any supporting documentation.

If you have any questions please contact Mrs Angelina Melchor on 9351 5086.

Regards,

Anthony Houison

Appendix B: Reconciliation Letter - First Follow Up



Anthony Houison
Senior Accountant Reporting
Financial Control and Treasury
Margaret Telfer Building, K07,
The University of Sydney, NSW 2006

e-mail: tony.houison@sydney.edu.au
Telephone 9036 7098
Facsimile 9351 5861

RECONCILIATION LETTER - First Follow Up

To:

(Insert manager's name and title)

CC:

(Insert relevant person that does the reconciliation)

From: Anthony Houison
Senior Accountant Reporting

Date:

Subject: **QUARTERLY BALANCE SHEET RECONCILIATIONS**

The reconciliations for *(date)* balance sheet accounts were due by: *(date)*
and have not been returned to Financial Services.

It is essential for financial management and audit purposes that reconciliations are reviewed by Financial Control and Treasury on a quarterly basis, at the end of March, June, September and December. The reconciliations should be prepared and reviewed locally on a monthly basis and therefore the quarterly request from Financial Control and Treasury should be a simple process of sending this reconciliation to Financial Control and Treasury.

The reconciliations must be completed immediately and sent to **Mrs Angelina Melchor** in Financial Control and Treasury, K07 by: *(date)*.

If you have any questions please contact Mrs Angelina Melchor on 9351 5086.

Anthony Houison

Appendix C: Reconciliation Letter - Second Follow Up



Kubra Chambers
Director
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The University of Sydney, NSW 2006

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Telephone 9351 4884
Facsimile 9351 5861

RECONCILIATION LETTER - Second Follow Up

To: *(Insert relevant PVC/DVC)*

CC: *(Insert relevant person that does the reconciliation plus their manager who received follow up letter)*

From: Kubra Chambers
Director

Date:

Subject: **QUARTERLY BALANCE SHEET RECONCILIATIONS**

The reconciliations for *(date)* balance sheet accounts were due by: *(date)* and have not been returned to Financial Services..

It is essential for the integrity of financial data that balance sheet account reconciliations are prepared and reviewed locally on a monthly basis and that any corrective action is promptly taken. Financial Control and Treasury review these reconciliations on a quarterly basis for financial management and audit purposes, at the end of March, June, September and December. The Audit Office looks at the reviews undertaken by Financial Control and Treasury and also looks at the end of December account balances and reconciliations to verify the integrity of the annual accounts.

Reconciliations for *(date)* were to be completed by the *(date)* for the balance sheet accounts listed on the attached schedule. A reminder memorandum was issued to *(manager's name)* with a copy to *(reconciliation person's name)* on *(date)*, however, the reconciliation statements have not been provided to Financial Control and Treasury.

It is essential for financial management and audit purposes that reconciliations are regularly prepared and reviewed and I am concerned with the status of reconciliations in *(insert area /directorate)*.

I would appreciate your assistance in ensuring that the missing reconciliations are completed immediately and forwarded to Mrs Angelina Melchor in Financial Control and Treasury, K07.

If you have any questions please contact Mrs Angelina Melchor on 9351 5086 or Mr Anthony Houison on 9036 7098.

Regards,

Kubra Chambers