

Policies, Procedures, Guidelines and Protocols

Document Details		
Title		Finance Procedure W3: Control Account Reconciliations
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Local Ref (optional)		
Main points the document covers		Purpose of control accounts & the processes for reconciling them
Who is the document aimed at?		Finance staff, particularly those in Financial Accounting
Author		David Court, Head of Financial Accounting
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Approved by (Committee/Director)		Director of Finance
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Lead Director		Sarah Lloyd, Director of Finance
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Required by NHS Resolution		
Other		
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No	Date	Amendment
1	November 2012	Minor amendments to terminology
2	November 2015	Amendments to job titles only
3	December 2018	4.2 Change in reviewer
4	December 2021	No Changes
5	January 2025	No Changes

Shropshire Community Health NHS Trust

Finance Procedures

Section W General Ledger W3 Control Account Reconciliations

1 – Introduction

- 1.1 Under the Trust Standing Financial Instructions, the Director of Finance is responsible for ensuring that internal checks are prepared, documented and maintained; and for ensuring that sufficient records are maintained to show and explain all transactions.
- 1.2 As part of the internal financial control, the Finance Department produces control accounts, generally monthly, to provide a check between the totals of the transactions made during the period, and the distribution of these transactions against balance sheet account codes in the General Ledger. These control accounts also highlight unusual or incorrect transactions, for further investigation.
- 1.3 This procedure covers the types of control accounts reconciled, and the procedure for reconciliation and authorisation.

2 – Types of control accounts reconciled

- 2.1 Control accounts are reconciled monthly for all balance sheet account codes, with the following exceptions: -
 - Property, plant, and equipment codes are reconciled quarterly because the asset register makes its calculations quarterly
 - Receivables and payables accruals codes are reconciled quarterly – there should be no need for reconciliation as they are accruals, but this acts as a check that nothing untoward has happened
 - Stocks and reserves are reconciled quarterly as there is very little movement on these during the year
 - Provisions codes are not reconciled as provisions figures are reconciled by the Financial Accounting Manager as part of accounting for provisions.
- 2.2 There is no need to reconcile control accounts that have not been used. Note – this is not the same as having a nil balance.

3 – The Control Account Matrix

- 3.1 There is a Control Account Matrix maintained in Excel, which is held on the shared Finance Library. The matrix shows when accounts are reconciled and who is responsible for the reconciliations.
- 3.2 The person reconciling each control account records the date of each reconciliation and their initials on this matrix. The Head of Financial Accounting then uses it to monitor progress with reconciliations.

4 – Preparation and authorisation

- 4.1 Control account reconciliations are prepared using a standard layout on Excel spreadsheets, held like the matrix on the share Finance Library. The General Ledger is used to analyse the make-up of the control account balance at the end of each month. The reconciliation is not merely a list of transactions. Discrepancies and outstanding amounts must be followed up promptly.
- 4.2 On completion, each control account is signed by the originator, and approved by another member of staff: -

Prepared By -	Reviewed & Approved By –
Financial Accounting Assistant	Senior Financial Accountant
Financial Accountant	Financial Accounting Manager
Senior Financial Accountant	Head of Financial Accounting
Financial Accounting Manager	Head of Financial Accounting
Head of Financial Accounting	Head of Finance

- 4.3 Completed reconciliations are filed in the main Financial Accounting office.
- 4.4 The deadlines for the reconciliations are in accordance with the reports production timetable. Once the deadline is reached, explanations for any control accounts not yet reconciled should be put onto the matrix.

5 – Clearance of prior year payables accruals

- 5.1 Generally, it is expected that any payables accrual set up at a financial year end will be cleared by a payment during the first few months of the following year. Periodically during the year, the Financial Accounting section circulate a list of outstanding year end payables in the ledger. Any remaining must either be reversed, or an adequate reason given for it to remain e.g., where there is an extended time limit for the claiming of money for a particular capital scheme.
- 5.2 This process is carried out more frequently prior to the year end.

References & associated documents

Control account matrix
Report production timetable

Reviewed By _____

Date _____

Authorised By _____

Date _____