

One-Day Training Outline: Bank Reconciliation

Session 1: Introduction to Bank Reconciliation (1 hour)

- Learning Objectives
 - Understand the purpose and importance of bank reconciliation.
 - Identify common reasons for differences between Cash Book and Bank Statement.
- Key Concepts
 - Definition of bank reconciliation.
 - Benefits: accuracy in financial reporting, fraud detection, internal control.
 - Common causes of differences:
 - Cheques issued but not presented.
 - Cheques deposited but not cleared.
 - Direct debits/credits by bank.
 - Errors in cash book or bank statement.
- Practical Example
 - Show a sample Cash Book vs Bank Statement with mismatches.
 - Ask participants to identify reasons for differences.

Session 2: Step-by-Step Process of Bank Reconciliation (1.5 hours)

- Learning Objectives
 - Learn how to prepare a Bank Reconciliation Statement (BRS).
 - Apply reconciliation process with given data.
- Steps
 1. Compare Cash Book with Bank Statement.
 2. Identify timing differences and errors.
 3. Prepare adjusted cash book (if required).
 4. Draft the Bank Reconciliation Statement.

- Practical Exercise 1
 - Data Set:
 - Cash Book balance: ₹50,000
 - Bank Statement balance: ₹46,000
 - Cheque issued ₹5,000 not presented.
 - Direct bank charges ₹1,000 not recorded in Cash Book.
 - Task: Participants prepare a reconciliation to match balances.

Session 3: Advanced Scenarios & Error Handling (1.5 hours)

- Learning Objectives
 - Handle real-world complications in BRS.
 - Correct errors in books before reconciliation.
- Scenarios Covered
 - Cheques dishonored.
 - Standing instructions (loan EMI, insurance payments).
 - Bank interest credited but not recorded.
 - Double entries or posting errors.
- Practical Exercise 2 (Case Study)
 - Data Set (more complex):
 - Cash Book shows: ₹1,20,000.
 - Bank Statement shows: ₹1,15,000.
 - Cheques deposited ₹20,000 not cleared.
 - Bank credited customer's payment ₹15,000 directly.
 - Bank charges ₹500 recorded twice in Cash Book.
 - Task: Participants detect errors, adjust balances, and prepare final BRS.

Session 4: Hands-On Activity – Real-Life BRS Preparation (2 hours)

- Learning Objectives
 - Apply reconciliation skills to real data sets.
 - Improve accuracy under time constraints.
- Group Activity
 - Divide participants into groups.
 - Provide sample company bank statement + cash book extract.
 - Ask each group to prepare a BRS and present findings.
- Practical Output
 - Groups present how differences were identified and resolved.
 - Discussion on fraud detection: e.g., missing deposits or unauthorized withdrawals.

Session 5: Wrap-Up, Q&A, and Quiz (1 hour)

- Summary
 - Importance of timely BRS in internal control.
 - Real-world use: monthly closings, audits, fraud detection.
- Quick Quiz (5 MCQs + 2 case-based) to test understanding.
- Takeaway Material
 - Sample formats for BRS.
 - Checklist for reconciliation.
 - Practice datasets for self-study.

By end of the day, participants will be able to:

- Explain the importance of bank reconciliation.
- Prepare a complete BRS with adjustments.
- Detect errors and possible frauds using reconciliation.