



Bank reports for audit purposes

In April, representatives of auditors from ICAEW, ICAS and ACCA met representatives of the main clearing banks to discuss the bank report process in the light of December 2009 and March 2010 year-end experiences. Some issues are being addressed by banks, but the meeting also identified some reminders for auditors to make the process run smoothly:

Authority to disclose

A client authority to disclose (ATD) will normally stay in force from year to year unless there is a change of circumstances. However, some banks require a new authority with every request, so auditors need to check the BBA bank contact details list (www.bba.org.uk/bba/jsp/polopoly.jsp?d=854) before sending out requests. The ATD must be signed in accordance with the bank (cheque signing) mandate for each and every legal entity covered.

Address for bank audit letter requests

Auditors are advised to check the BBA list for the correct address. Requests sent to other addresses may take longer to go through the system, and be difficult for the bank to track in case of queries.

Letterhead

Requests need to be made on the audit firm's letterhead, so that the banks can check the request back to the ATD as well as the address to which they should direct their reply.

Group Company Audits: legal entity names

Banks need the full name, main account number and sort code for every legal entity (as appearing on the account). Without these, bank staff can find it difficult to match the correct information to the entity listed in the request.

Fast track requests and follow-up

The 'fast track' request process is intended for circumstances where the audit-reporting deadline is very tight and the request form must include the reason(s) for the urgency. Auditors should not request an urgent response simply because they have not sent the request in the time recommended by PN 16.

Chasing replies

Chasing replies before the end of the banks' stated processing time serves no purpose except to divert bank staff from the processing itself, so auditors need to consider the audit timetable when sending their requests.

More information can be found on the faculty's website at icaew.com/index.cfm/route/164282.

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