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| **Client** |  | **Year End** |  | **WP No.** |  |
| **Process** | **Treasury**  | **Prepared by** |  | **Date** |  |

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| ***Program objective – Daily Cash Forecasts & Daily Cash Flow***To determine the accuracy, completeness, timeliness and validity of the Financial and Management information and inter-company transfers.To achieve the lowest level of interest paid when borrowing while at the same time minimising the potential volatility of the average rate of interest.To achieve maximum returns on investment instruments. |

| ***Risk(s)*** | ***Audit procedures*** | ***Completed by and Date*** | ***WP reference*** |
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| Exposure to liquidity risk due to funds not being available if the facilities are not renewed and approved by the board.Overdraft/ borrowing facilities might be accessed despite surplus funds being available from other divisions’ accounts.Inappropriate funds might be borrowed for the groupFunds borrowed may not be at the best interest rates available.Risk of bank lending *Company Name* funds more than requested resulting higher interest rate costs and financial loss. | **Borrowings/Overdrafts:**1. Select a judgemental sample of 10 days (where borrowings were made from the money market accounts) for the period (*review period*) under review and perform the following:
	1. Obtain a copy of and confirm that a Daily Cash Forecast report was prepared by the Treasury Administrator on a timely ;
	2. Agree the amounts per the Daily Cash Forecast report to the Divisional Cash Forecasts received;
	3. Inspect the Daily Cash Forecast report for review by the Group Treasurer on a daily basis.
	4. Inspect the Daily Cash forecast for recorded call rates obtained (from the various financial institutions where the money market accounts are held);
	5. Inspect Daily Cash forecast and confirm that the funds were borrowed from the bank providing the best interest rate. If not, obtain reasons from Management as to why not;
	6. Obtain and confirm that a confirmation letter was received from the respective bank detailing that the borrowing deals executed and ensure that this agrees with the rate quoted on the forecast;
	7. Place all supporting documentation on file and reference accordingly.
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| Liquidity risk due to funds being invested in a fixed 32 days period and not being readily available. Investment limits may be exceeded resulting increased financial loss risk for the company.Funds invested may not be at the best interest rates available.Unauthorised EFT payments may be made resulting financial loss.Inappropriate funds might be invested for the group resulting in lower interest rate earned. | **Investments:**1. Select a judgemental sample of 10 days (where investments were made into the money market accounts) for the period (*review period*) under review and perform the following:
	1. Obtain a copy of and confirm that a Daily Cash Forecast report was prepared by the Treasury Administrator on a timely basis ;
	2. Agree the amounts per the Daily Cash Forecast report to the Divisional Cash Forecasts received;
	3. Inspect the Daily Cash Forecast report for review by the Group Treasurer on a daily basis.
	4. Inspect the Daily Cash forecast for recorded call rates obtained from the various financial institutions where the money markets accounts are held;
	5. Inspect Daily Cash forecast and confirm excess funds were invested in the bank providing the best interest rate. If not, obtain reasons from Management as to why not;
	6. Obtain and confirm that a confirmation letter was received from the respective bank detailing that the investment was received and executed;
	7. Obtain the EFT payments report and confirm that the investment deal was adequately approved before the money was released from the *Company Name* *Bank Name* current account to the relevant bank;
	8. For fixed term investment, obtain the evidence of approval from the Treasury manager.
	9. Inspect the total investment per financial institution and confirm that the investment limit per policy is not exceeded.
	10. Inspect the EFT report and confirm that it has been signed off by two (2) authorised signatories (an ‘A’ & ‘B’ signatory, or two ‘B’ signatories); and
	11. Inspect the bank statement and confirm that the investment is reflected on the bank statement.
	12. Place all supporting documentation on file and reference accordingly.
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| ***Program objective M – Interest Paid/ Received***To determine the accuracy, validity and completeness of interest paid/ received |

| ***Risk(s)*** | ***Audit procedures*** | ***Completed by and Date*** | ***WP reference*** |
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| Interest paid/ received may not be correct.Interest paid/ received may be calculated at the incorrect interest rate.Interest paid/ received may not be correctly allocated to the G/L. | 1. Select a judgemental sample of 10 interest payments made and 10 interest amounts received during the period (*review period*) under review and verify the following:
2. The amount paid (per EFT batch payment report)/received agrees to the interest calculation prepared by the Treasury Administrator and with the amount requested by the bank;
3. The interest rate used is correct as per the bank confirmation letter or facility letter;
4. The amount paid/ received agrees to the amount reflected on the bank statement; and
5. The amount paid/ received is correctly and accurately allocated to the G/L.
6. Determine whether segregation of duties for EFTs is systematically enforced and that 2 people are involved in the release of EFTs.
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| ***Program objective N – Service Contracts****To determine whether there are service contracts in place for Call Accounts**To determine whether credit agreements are in place for all short-term loans.* |

| ***Risk(s)*** | ***Audit procedures*** | ***Completed by and Date*** | ***WP reference*** |
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| No binding contracts may be in place between the Financial Institutions and *Company Name* Limited.Investments may be executed/ borrowing may be obtained from unauthorised institutions. | 1. Obtain a copy of the service level agreement /facility letters for the following list of approved borrowers:
* *Bank Names*;

 a. Examine the date to ensure that these are recent contracts i.e. renewed within the past year and that they are safely kept in the strong room. b. Inspect the contracts and confirm that they have been adequately signed and approved by the board resolution.  |  |  |

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| ***Program objective – Bank Reconciliations***To determine the accuracy and completeness of bank reconciliations |

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| ***Risk*** | ***Audit procedure*** | ***Completed by and Date*** | ***WP reference*** |
| Risk that bank reconciliations are not prepared and reviewed resulting in errors not being detected and corrected on time.Risk that there is no segregation of duties between the preparer and the reviewer of the bank reconciliationsRisk that bank reconciliations are prepared based on the incorrect information.Risk that fraud/ intentional misstatement would not be detected on time due to long outstanding reconciling items not being investigated and cleared.  | 1. Obtain the bank reconciliations performed for the period (*review period*) under review and perform the following:
	1. Verify that the reconciliation is prepared on a monthly basis;
	2. Verify that the reconciliation is signed and dated by the preparer; and
	3. Verify that the reconciliation is signed and dated by an independent senior official.
	4. Verify that the opening and closing balances match on a month-on-month basis, ensuring a consistent audit trail for the entire period. Check these both on the reconciliation performed as well as on the GL balances provided.
2. For the latest reconciliation, perform the following:
3. Verify that the reconciliation is prepared;
4. Verify that the reconciliation is signed and dated by the preparer;
5. Verify that the reconciliation is signed and dated by an independent official;
6. Cast the reconciliation;
7. Agree the balances/ amounts on the reconciliation to the relevant supporting documentation (trace the amounts to the General Ledger as well as bank statement);
8. Verify that reconciling items are cleared on a timely basis (monthly, report all long outstanding payments and deposits older than 6 months and obtain reasons for the long outstanding items); and
9. Trace reconciling items through to supporting documentation.
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| ***Program objective – Foreign Creditor’s***To determine the accuracy, validity and completeness of Foreign Creditor’s payments |

| ***Risk(s)*** | ***Audit procedures*** | ***Completed by and Date*** | ***WP reference*** |
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| Unauthorised payments may be made.Payment may be effected upon a faxed or copied invoice.Payment may be made from and to the incorrect bank accounts.Non compliance with exchange rate controls.Payments may be incorrectly allocated to the G/L.Possible currency transaction risk in connection with cross border purchases and sales of goods. | 1. Select a judgemental sample of 20 payments made to Foreign Creditor’s during the period (*review period*) under review and ensure the following:
2. The payment was effected upon receipt of an original invoice;
3. The invoice is properly authorised;
4. The amount paid per the invoice agrees to the amount reflected on the bank statement;
5. The amount was paid from and into the correct bank accounts;
6. The payment is properly authorised per signature listing for all bank accounts of the treasury department;
7. The correct exchange control documentation is completed (*Bank Name* Exchange Control Application, Application for Overseas Transfer of Funds and Exchange Control Approval and supplier’s invoice); and

The payment is correctly and accurately allocated to the G/L (i.e. recalculate the amount by using the rate and amount reflected on the FEC contract). |  |  |

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| ***Program objective –Long term and short term Borrowings***To determine the accuracy, validity and completeness of Long term and short term borrowings. |

| ***Risk(s)*** | ***Audit procedures*** | ***Completed by and Date*** | ***WP reference*** |
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| Funding inadequately managed resulting in asset and liability mismatchesForeign cash flow to repay local debt can result in exchange rate risk.Covenant breach resulting in funding being withdrawn or rates increasing leading to reputational damage or increased financial expense or cash flow constraints1. Risk that interest and capital repayments terms may not be adhered to resulting additional interest and penalties expenses for the company
 | 1. Enquire from management and obtain confirmation documents that the acquisitions are funded via long term loans and not short terms facilities
2. Enquire from management and confirm how the foreign exchange risk is managed and obtain corroborative evidence
3. Obtain the half yearly covenant letters send to the banks for the period under review:
4. inspect the agreement and compare to the covenant letter to confirm that all the required covenant terms have been complied with.
5. inspect that the calculations prepared by the Group Treasurer are attached
6. inspect that the calculations were reviewed signed off by the Corporate Finance Director
7. Recalculate the amounts to test for accuracy
8. Obtain the evidence that the letters were send to the banks
9. Obtain the interest and capital repayments made during the period under review and confirm that the payments were made according to the contracts.
	1. follow the interest and capital payments to the bank statement and agree that the amount paid to the expected amount per the contract.
10. Obtain the monthly loan revaluations :
	1. recalculate the loan revaluation
	2. follow the foreign gain/loss on the revaluation to the general ledger to ensure it is allocated to the correct general ledger
11. Inspect the latest management account and confirm that the short term portion of the loan (payable in the next twelve month) is recorded under short term loans ( current liabilities)
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| ***Program objective – Reporting***To determine whether the Treasury department prepares timely and relevant reporting information |

| ***Risk(s)*** | ***Audit procedures*** | ***Completed by and Date*** | ***WP reference*** |
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| The monthly cash management report may not be prepared timely resulting in information being irrelevant.The monthly cash management report might contain inaccurate information. | * 1. For the period (*review period*) select a sample of 5 weekly cash management reports prepared and perform the following test steps:

a Verify that the weekly reports were prepared and reviewed by the Group Treasurer.b Obtain and determine whether a monthly Cash Management report was prepared for the months within the period under review.c For the latest month, obtain the monthly Cash Management report and determine whether it was reviewed before being discussed in the EXCO meeting.d Obtain the minutes of the EXCO meeting held in the month and inspect whether the Cash Management report was discussed and any queries raised in the meeting.e Determine whether any queries were followed-up and resolved on a timely basis; i.e. before the next months Cash Management report. |  |  |

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| ***Program objective – General Control Areas***To determine the adequacy of succession planning, segregation of duties and access controls to the systems used |

| ***Risk(s)*** | ***Audit procedures*** | ***Completed by and Date*** | ***WP reference*** |
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| Unauthorised access may be gained to the systems.Unauthorised changes may be made to information.Information may be lost due to unauthorised access.Financial losses may be incurred by unauthorised access to the EFT system | 1. Per discussions with Management determine whether there are adequate access controls to the following systems:
* EFT System;
* Financial system;
* Daily Cash Forecast sheet;
* The Call Account Excel Spreadsheet; and
* Cash Management Pack.

a Access controls to consider are access to computer systems restricted to passwords, excel spreadsheets are stored in restricted location on the server limited to treasury staff. Offices are locked etc. Verify that user id’s restricts access to computer systems. Verify the physical access of computer systems.b Ensure that the EFT system is fully safeguarded for all banking systems 1. by physical safeguarding and 2. by system automated controls. |  |  |
| Inadequate segregation of duties may exist. | 1. Obtain an organogram of the treasury department and determine whether there is adequate segregation of duties, i.e. determine what functions are performed by each employee.
* Who prepares Divisions forecasts;
* Who prepares Daily Cash Flow Spreadsheet;
* Who prepares the Daily Cash Forecasts;
* Who reviews the Forecasts
* Who captures the information onto the EFT system;
* Who authorises EFT transactions; and
* Who prepares the bank reconciliations.
* Who reviews the bank reconciliations;
* Who approves borrowing/investing.
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| An inadequate succession plan may be in place or not in place at all. | 1. Per discussions with Management determine whether there is a documented succession planning policy in place if so obtain copy and place on file.

If there is no documented policy in place determine whether Management is following an informal succession plan, document this and assess reasonability.Confirm succession planning with at least two different individuals. |  |  |