



KENYA PLANT HEALTH INSPECTORATE SERVICE

STANDARD OPERATING PROCEDURE

Department: Finance & Accounts

Revision No:01

Issue No:02

SOP FOR CASH BOOK MANAGEMENT AND BANK RECONCILIATION

SOP/KEPHIS/FIN/04

Issued by: 

Deputy Director Finance & Accounts

Date: 27/01/25

Approved by: 

Director Corporate Services

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1.0. Purpose

To ensure accuracy and timeliness in the preparation bank reconciliations

2.0 Scope

Covers the bank reconciliation process

3.0 References

- 3.0 KEPHIS Financial Policies and Procedures Manual
- 3.1 International Public Sector Accounting Standards
- 3.2 Bank statements
- 3.3 Cashbook
- 3.4 Cheque register
- 3.5 Work Instructions
- 3.6 QMS Manual

4.0 Definitions

- 4.1 DD - Deputy Director
- 4.2 DD, F & A - Deputy Director, Finance & Accounts
- 4.3 SA - Senior Accountant
- 4.4 PA- Principal Accountant

5.0 Responsibilities

Deputy Director, Finance & Accounts



6.0 Schematic representation

Cash Management & Bank Reconciliation						
Sources of Inputs	Inputs	Activities	Outputs	Receivers of Outputs	Risks	Checks/Controls
- Bank - ERP-Microsoft Dynamics	- Bank statements - Cashbook	- Verification of cashbook entries against the bank entries - Reporting	Signed bank reconciliation Statement-ERP generated	- Deputy Directors - Deputy Directors Finance & Accounts	- Delayed booking of receipts and payments - Lack of bank statements - ERP system breakdown or delays - Non-reporting	- Reports on Non compliance - Staff training - Immediate address in case of ERP down-time - Monitoring

7.0 Procedure

- 7.1 The accountant receives monthly bank statements from the bank and uploads it into the ERP
- 7.2 The accountant updates the cashbook in ERP with the bank charges
- 7.3 Accountant verifies that the cashbook in ERP is updated with all payments serially per cheque/eft number
- 7.4 Accountant verifies that the cashbook in ERP is updated with all receipts serially per receipt number



7.5 The Accountant compares debit entries in the bank statement against payments in the cashbook in the ERP.

7.5.1 If there are debit entries in the bank statement and they are not appearing in the cashbook, the accountant obtains the details of the entry from within or from the bank and updates the cashbook

7.6 The Accountant compares credit entries in the bank statement against receipts in the cashbook in ERP

7.6.1 If there are credit entries in the bank statement and they are not appearing in the cashbook, the accountant obtains the details of the entry from within or from the bank and updates the cashbook

7.7 The Accountant undertakes reconciliation in the ERP and prepares a summary bank reconciliation statement in the preferred format, signs and forwards to the DD Finance & Accounts, Regional DD, or PA for review and signature.

7.8 The accountant ensures the draft reconciliation is forwarded to DDFA by 30th of the following month. Reconciling issues shall be addressed and signed by the second month.

8.0 Records

8.1. Bank reconciliation statement

REVISION DETAILS					
REVISION SUMMARY	REASON	DATE	REVISED BY	ISSUE NUMBER	REVISION NUMBER
1. Change of 3.1	Changes in reporting standards	31/12/2024	DD	2	0



2. Amendment of clause 6.7	Reconciling issues before final signing need adequate time to resolve	31/12/2024	DD	3	0
3. Review of entire SOP	To meet requirements of ISO 9001:2015	31/12/2024	PA	1	1
3. Review of entire SOP	Using a new financial system-ERP and introduction of E-citizen	08/01/2025	DDFA	2	1