

## Data Integrity Checking Process

This is a formally documented system that we encourage you to use in the regular operations of your business. Over time and distance we have developed this system and we have found it to be most effective and efficient in fulfilling the task at hand. It is an independent, yet integral part of a complete set of interrelated systems - all put in place to simply achieve the systemic functionality of the "business of running a business".

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## Introduction

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This Standard Procedure Instruction (SPI) will provide you with a preamble - an understanding of our recommended process - and a set of easy to follow benchmarks and guiding steps.

This SPI is written assuming you are using a Microsoft Windows operating system. In this document we refer to and use Microsoft Windows 98 and MYOB Accounting Plus v10. If you are using different versions of either program, or a Macintosh operating system, we believe that you will find the logic of this process very easy to apply using your "local knowledge". If by chance you do encounter difficulty, please call your nominated Nationwide Training Australia Network Coach for assistance.

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## Preamble

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This Standard Procedure Instruction will provide you with a Data Integrity Checking Process that you will regularly use, ensuring the accuracy of your data. The integrity of the data in your data file is imperative to you having a full understanding of and control over your business. Only after this process has been followed can you generate meaningful and accurate business reports. **It's imperative that you follow this Standard Procedure Instruction each time before you generate any monthly financial reports that you will use for business decision-making purposes.**

You will also follow this process in getting your data file ready for both your **BAS reporting** and for your **accountant** for the **end of the financial year** compliance reporting.

**This procedure    M U S T    N O T    B E    OVERLOOKED.**

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## Benchmarks

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1. Set Preferences to Always Display Filters
2. Confirm the Current End of Financial Year Date
3. Reconcile Bank Account(s)
4. Reconcile Receivables (Debtors)
5. Reconcile Payables (Creditors)
6. Reconcile Perpetual Inventory (Stock)
7. Reconcile Clearing and Contra Accounts
8. Review your Chart of Accounts (Detail)
9. Review your Formal Reports
10. Lock your Data File

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## Important Note

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We encourage you to create a folder for each data integrity check process that you perform. This **Data File Integrity Check Folder** would be **dated** on the front to indicate the period under review (eg "as at 31 October 2000").

You would have an **Index page(s)** inside the front cover as the first page. This is something that you would construct as an addition to this SPI, and as a result of applying this SPI to your business. It will be different for each business. You must make your own index sheet and then photocopy it for each period under review.

On this index page, you would list all of the Benchmark checks that you are to perform in your business in line with this SPI. The structure would most likely follow the Benchmark index above (on this page) as a template to work from. You would have four columns - "**Benchmark**", its' "**due date**", "**date completed**" and "**who's responsible**", and as each task is completed the person responsible would insert printed reports and/or photocopies of substantiating documentation demonstrating the successful completion of that task.

When this Procedure is completed, the business owner (and accountant - we strongly recommend you use an external accountant to review your data on a monthly basis) would be given a photocopy of this folder to substantiate the integrity of this data set and associated reports printed therefrom.

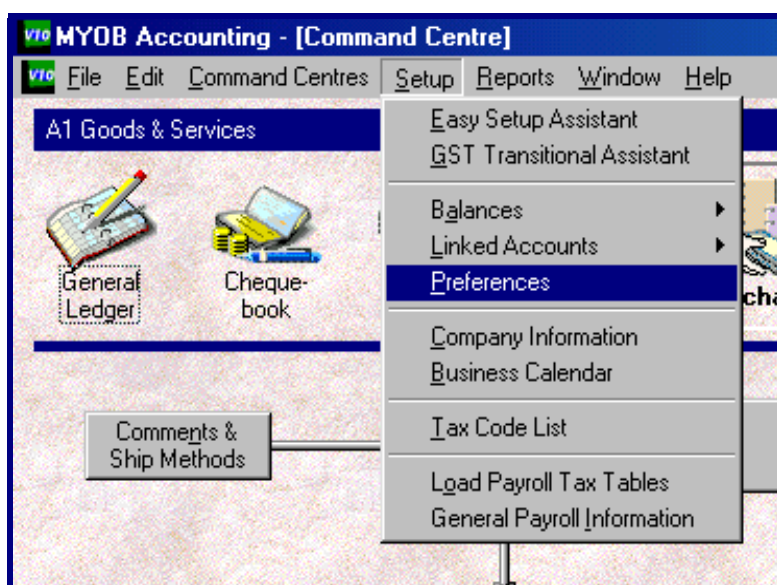


## Benchmark 1

### Set Preferences to Always Display Filters (Before Printing Reports)

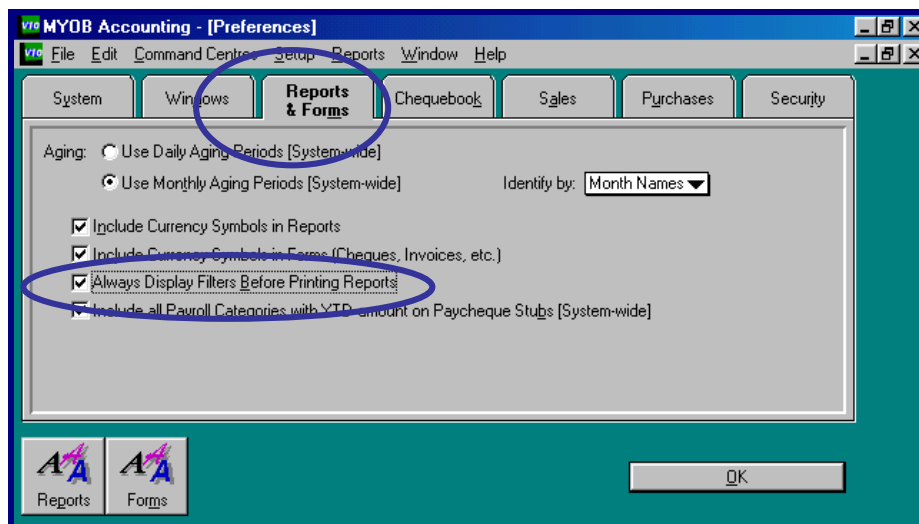
We've found many times that the preference to "Always Display Filters Before Printing Reports" is turned off. It is a preferred setting that we encourage (particularly users of large data files) to have turned on. In this Benchmark, you will ensure that your setting is selected as being on.

From the pull down menu bar, select **S**etup and then **P**references





This will take you to the Preferences window. Select the **Reports & Forms** tab at the top of the screen. Ensure that there is a tick in the box on the left of "Always Display Filters Before Printing Reports".



Click the **OK** Button to return to the main Command Centre.



### Benchmark 1 - Command Chain:

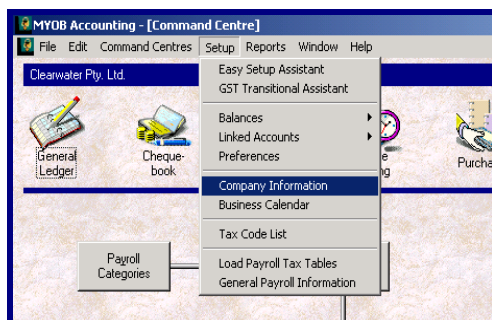
[ Setup // Preferences // Reports & Forms // Always Display Filters Before Printing Reports // OK]



## Benchmark 2

### Confirm the Current End of Financial Year Date

This Benchmark will allow you to confirm the current financial year-end date of your data file. From the pull down menu bar, click **S**etup and then **C**ompany Information.



This will bring you to the Company Information window where you can view the "Current Financial Year" the "Last Month in Financial Year" fields.

Click the OK button to return to the main Command Centre.



#### Benchmark 2 Command Chain:

[ **S**etup // **C**ompany Information // *note year* // *note Last Month* // **O**K ]



## Benchmark 3

### Reconcile Bank Account(s)

It is assumed that you reconcile **each** account that you have with **all** financial institutions, and that you do so on a regular and often basis (eg daily - if you are "on-line", or **at least weekly**).

Therefore, in this Benchmark we will be confirming that each account reconciliation is "in integrity" with the appropriate financial institution's statement of account (bank statement) as at the close of the period (eg monthly, quarterly and annually).

This process is to be followed each period for **all business accounts**, including loan accounts, FDA accounts, investment accounts, overdraft accounts, savings accounts, credit union accounts, cheque accounts, plastic card accounts (eg Visa, MasterCard, Amex, Diners), and what-ever other account you could muster up with any other financial institution.

You will need to have a copy of the Statement of Account for each account that you have, as at the close of the period under review. You won't need the statements for the whole duration of the period - only as at the end of the period. This is what we're going to be confirming your reconciliation against, and we expect that this will be a very fast and simple process.

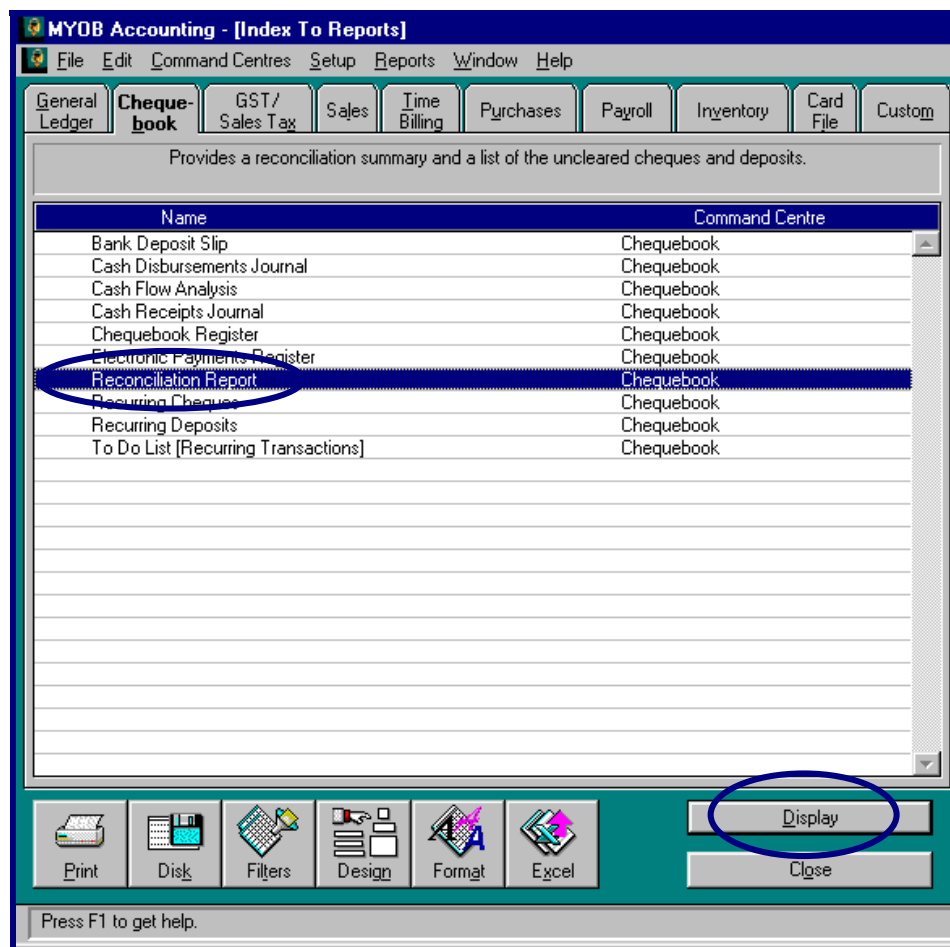
So, let's get started with the first account, remembering that you are going to repeat this process for each and every account each time you do a data file integrity check.

From the pull down menu bar, click **Reports** and then **Index to Reports**.





This will bring you to the Index to Reports window. Click on the **Chequebook** tab. Select **Reconciliation Report**, and then click the **Display** button.



This will take you to the Report Filters window.



In the Reports Filter click the **Selected** radio button, and then in the From: and To: fields enter the **Account number** that you are choosing to report on at this time. In the "Date of Bank Statement" field type in the date for which you are doing this integrity check (eg 30/6/00 in this example).

**Report Filters**

Reconciliation Report

☐ All Accounts

☒ **Selected:**

From: 1-1100

To: 1-1100

Sorted By: Date

Date of Bank Statement: 30/6/2000

☐ Separate Pages

Cancel OK

Click **OK** to continue. The progress meter will allow you to monitor how long to complete the report generation.

**Report Status**

Reconciliation Report

Building Report

Cancel

This will bring you to the Screen Report window and will show the Bank Reconciliation Report for your chosen account and date. Scroll down towards the bottom to see the actual "Reconciliation" summary.





MYOB Accounting - [Screen Reports]

File Edit Command Centres Setup Reports Window Help

**Clearwater Pty. Ltd.**  
25 Spring Street  
Blackburn  
VIC 3130

**Reconciliation Report** Page 1

2:07:03 pm

ID#	Date	Payee	Deposit	Withdrawal
Cheque Account: 1-1100 General Cheque Account				
Date of Bank Statement: 31/10/2000				

Reconciled Cheques

Reconciliation

MYOB Balance on 31/10/2000:	\$10,469.82
Add: Outstanding Cheques:	\$7,001.81
Subtotal:	\$17,471.63
Deduct: Outstanding Deposits:	\$2,007.71
Expected Balance on Statement:	\$15,463.92

Print Disk Filters Design Format Excel Close Save As

Press F1 to get help. Clearwtr.dat

This is the account and the date you are verifying.

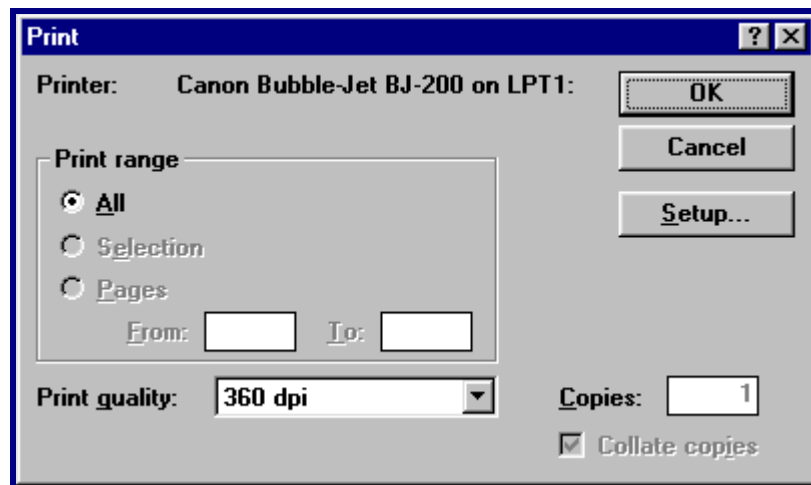
This is the account balance that you will see on the Balance Sheet. It's called the "Cash Book" balance.

This is the account balance that you would expect to see on the Bank Statement. Please ensure that it is correct.

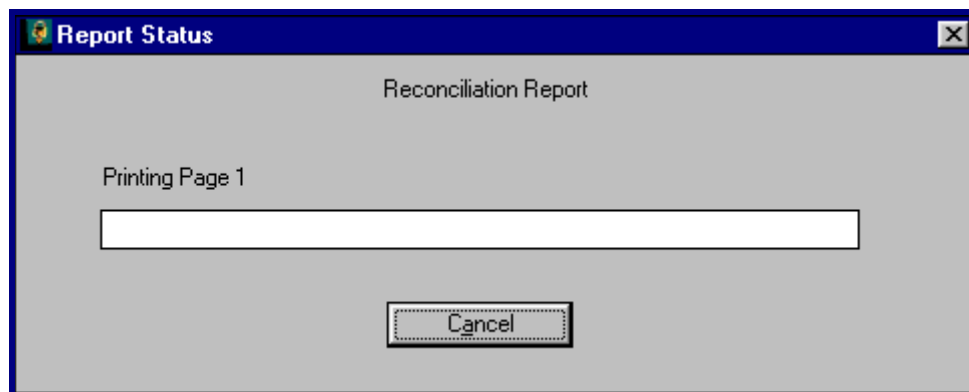
To print the report to paper, click on the **Print** button on the bottom left corner of the screen.



You will be presented with the Windows **Print** manager. Select your chosen printer and then click the **OK** button to print.



The report will generate.



Now that it has printed, you will be back at the **Screen Reports** window. Click the **C**lose button in the bottom right hand corner to return back to the **Reports Index**. Click the **C**lose button again and you will return to the main Command Centre.

Once it's printed, confirm the "**Expected Balance on Statement**" with the balance on the Bank Statement. Then, file this printed report in your **Data File Integrity Check** folder, together with a photocopy of that page of the associated bank statement as substantiation of the accuracy.



### Benchmark 3 - Command Chain:

[ **R**eports // **I**ndex to Reports // Chequbook // **R**econciliation Report // **D**isplay // **S**electd // **F**rom  
**D**ate // **T**o Date // **D**ate of Bank Statement // **O**K // **P**rint // **O**K // **C**lose // **C**lose ]

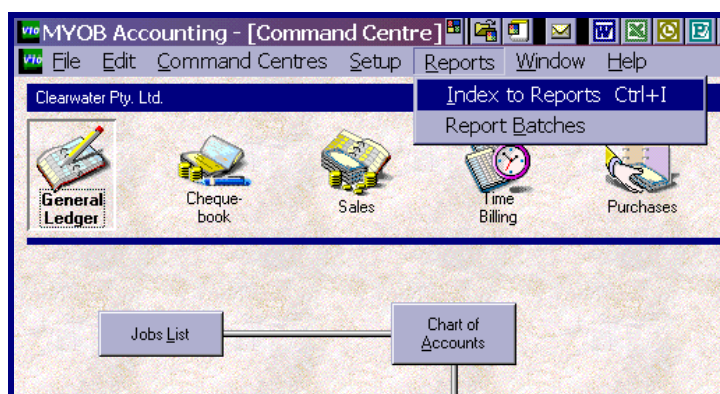


## Benchmark 4

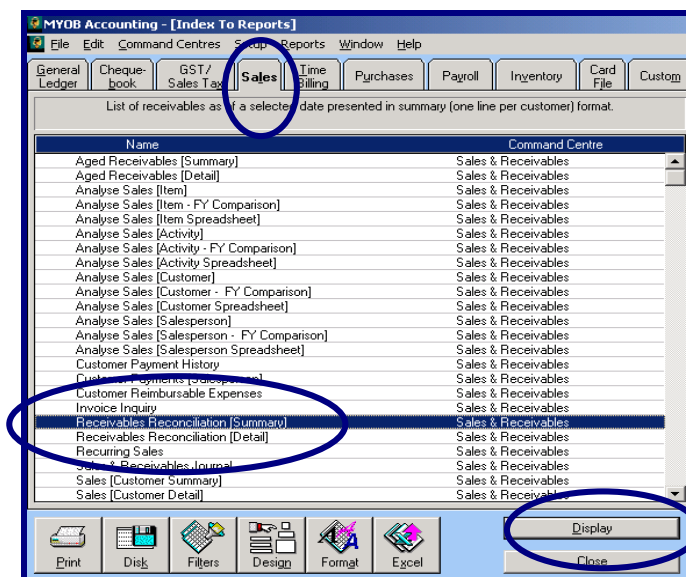
### Reconcile Receivables (Debtors)

Here you need to make sure the balance of your outstanding customers' accounts (Receivables or Debtors) equals the balance of the Linked Receivables account in your Balance Sheet (Receivables Control Account). You can use the Receivables Reconciliation (Summary) report to quickly check that this reconciles.

From the pull down menu bar, click on **Reports** then select **Index to Reports**.



Click on the **Sales** tab at the top of the window and select **Receivables Reconciliation (Summary)** then click on the **Display** button.





You will be at the Report Filters window. Select **All Customers** and enter the appropriate date (eg 30/6/2000).

Click **OK** and the report will generate.



You will now be at the Screen Reports window.

The **Out of Balance Amount** MUST equal \$0.00.

**MYOB Accounting - [Screen Reports]**

File Edit Command Centres Setup Reports Window Help

### Receivables Reconciliation

30/06/2000

Page 1

30/05/2001 7:22:08 PM

Name	Total Due	Jun	May	Apr	Pre-Apr
A-Z Stationery Supplies	\$184.83	\$0.00	\$0.00	\$0.00	\$184.83
Chelsea Mosset	\$24,876.00	\$1,430.39	\$0.00	\$0.00	\$23,445.61
Footloose Dance Studio	\$17,254.10	\$0.00	\$573.42	\$0.00	\$16,680.68
Island Way Motel	\$5,250.00	\$0.00	\$0.00	\$0.00	\$5,250.00
Leisure Landscape Nursery	\$11,182.64	\$0.00	\$0.00	\$4,780.78	\$6,401.86
My Town Realty	\$15,126.72	\$1,886.68	\$1,785.27	\$0.00	\$11,454.77
The Motor Company	\$17,584.66	\$0.00	\$7,171.17	\$272.67	\$10,140.82
Total:	\$91,458.95	\$3,317.07	\$9,529.86	\$5,053.45	\$73,558.57
Aging Percent:		3.6%	10.4%	5.5%	80.4%
Receivables Account:	\$91,458.95				
Out of Balance Amount:	\$0.00				

Print Disk Filters Design Format Excel Close Save As

Click the **Print** button and print the report to paper.

You will be presented with the Windows **Print** manager. Select your chosen printer and then click the **OK** button to print.

**Print**

Printer: Canon Bubble-Jet BJ-200 on LPT1: OK Cancel Setup...

Print range

☒ All ☐ Selection ☐ Pages

From: [ ] To: [ ]

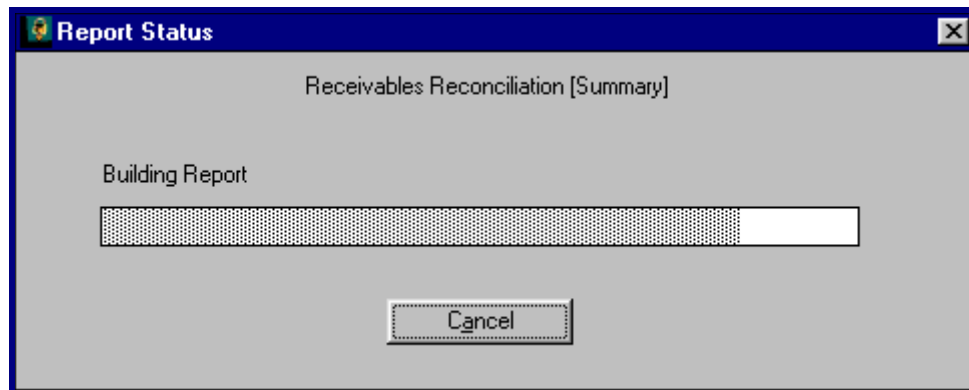
Print quality: 360 dpi

Copies: 1

☒ Collate copies



The report will generate.



Now that it has printed, you will be back at the **Screen Reports** window. Click the Close button in the bottom right hand corner to return back to the **Reports Index**. Click the Close button again and you will return to the main Command Centre.

Once it's printed, confirm the "**Out of Balance Amount**" equals **\$0.00** (zero).

Then, file this printed report in your **Data File Integrity Check** folder as substantiation of the accuracy of this Benchmark.



#### Benchmark 4 - Command Chain:

[ Reports // Index to Reports // Sales // **Receivables Reconciliation (Summary)** // Display // **All Customers** // *Enter date* // OK // Print // **OK** // Close // Close ]

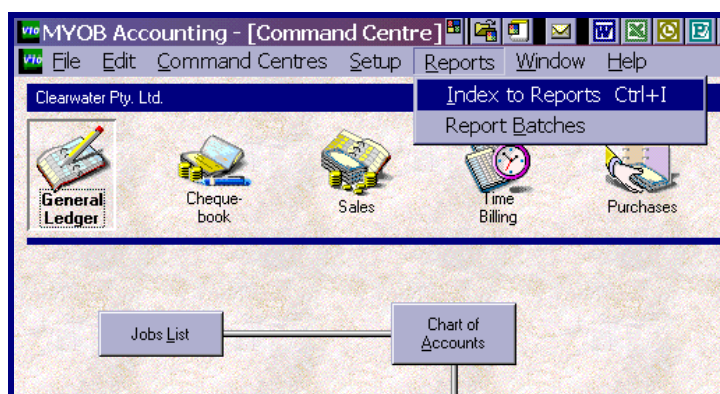


## Benchmark 5

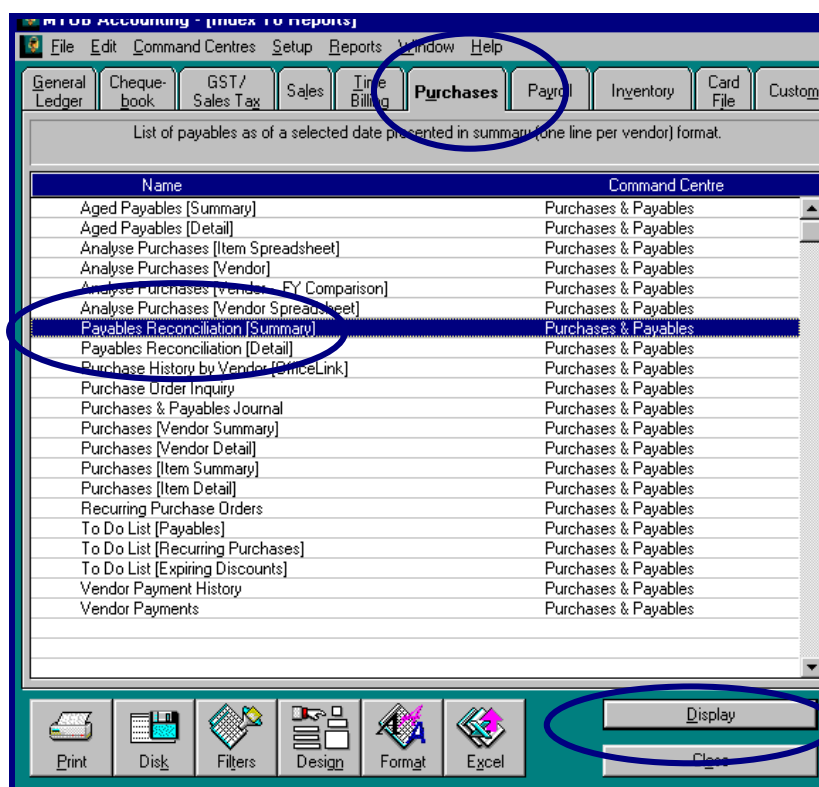
### Reconcile Payables (Creditors)

Here you need to make sure the balance of your outstanding suppliers' accounts (Payables or Creditors) equals the balance of the Linked Payables account in your Balance Sheet (Payables Control Account). You can use the Payables Reconciliation (Summary) report to quickly check that this reconciles.

From the pull down menu bar, click on **Reports** then select **Index to Reports**.



Click on the **Purchases** tab at the top of the window and select **Payables Reconciliation (Summary)** then click on the **Display** button.





You will be at the Report Filters window. Select **All Vendors** and enter the appropriate date (eg 30/6/2000).

**Report Filters**

Payables Reconciliation [Summary]

☒ All Vendors  
☐ Selected:  Identifiers:

Aging Method:

Payables As Of:

☐ Include \$0.00 Balances

Click **OK** and the report will generate.

**Report Status**

Payables Reconciliation [Summary]

Building Report





You will now be at the Screen Reports window.

The **Out of Balance Amount** **MUST** equal \$0.00.

MYOB Accounting - [Screen Reports]  
File Edit Command Centres Setup Reports Window Help

Blackburn  
VIC 3130

**Payables Reconciliation**

**30/06/2000**

Page 1

30/05/2001  
8:02:26 PM

Name	Total Due	Jun	May	Apr	Pre-Apr
Clear & Bright Filters	\$1,442.62	\$0.00	\$0.00	\$0.00	\$1,442.62
Currys Super Stands	\$3,678.68	\$0.00	\$0.00	\$0.00	\$3,678.68
Huston & Huston Packaging	\$1,695.00	\$0.00	\$0.00	\$0.00	\$1,695.00
Mountain Spring	\$2,743.08	\$0.00	\$0.00	\$0.00	\$2,743.08
Outreach Real Estate	\$1,995.87	\$0.00	\$0.00	\$0.00	\$1,995.87
Underwater Springs Pty Ltd	\$12,140.15	\$0.00	\$0.00	\$0.00	\$12,140.15
Total:	\$23,695.40	\$0.00	\$0.00	\$0.00	\$23,695.40
Aging Percent:		0.0%	0.0%	0.0%	100.0%

Payables Account: \$23,695.40  
Out of Balance Amount: \$0.00

Print Disk Filters Design Format Excel Close Save As

Click the **Print** button and print the report to paper.

You will be presented with the Windows **Print** manager. Select your chosen printer and then click the **OK** button to print.

**Print**

Printer: Canon Bubble-Jet BJ-200 on LPT1: OK Cancel Setup...

Print range

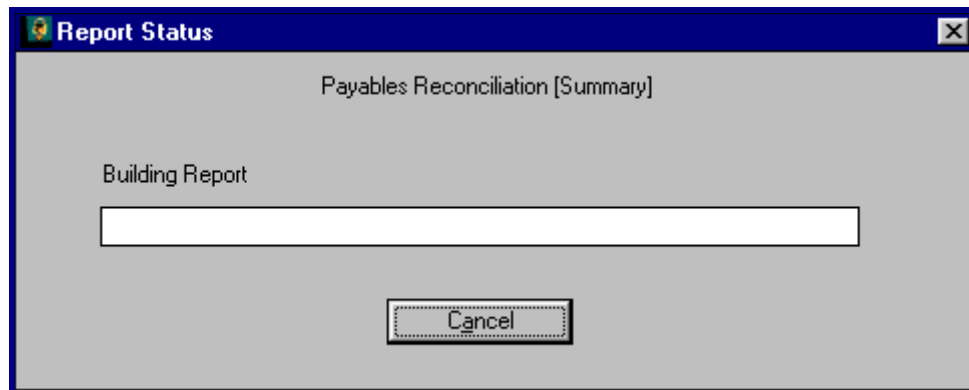
☒ All  
☐ Selection  
☐ Pages

From: [ ] To: [ ]

Print quality: 360 dpi [v]  
Copies: 1  
☒ Collate copies



The report will generate.



Now that it has printed, you will be back at the **Screen Reports** window. Click the Close button in the bottom right hand corner to return back to the **Reports Index**. Click the Close button again and you will return to the main Command Centre.

Once it's printed, confirm the "**Out of Balance Amount**" equals **\$0.00** (zero).

Then, file this printed report in your **Data File Integrity Check** folder as substantiation of the accuracy of this Benchmark.



#### Benchmark 5 - Command Chain:

[ Reports // Index to Reports // Purchases // **Payables Reconciliation (Summary)** // Display // **All Vendors** // *Enter date* // OK // Print // **OK** // Close // Close ]



## Benchmark 6

### Reconcile Perpetual Inventory (Stock)

If you are using MYOB to track your inventory quantities and values and manage your Inventory (when "I Inventory" is checked in Items Details), then you need to attend to this Benchmark. **If not, go to Benchmark 7.**

Inventory in MYOB is recorded "**live and in real time**". This makes it **VERY DIFFERENT** to the Bank, Receivables and Payables Reconciliations that you have worked with to-date in this SPI. You need to be very alert to when you action this Benchmark. You must be the only user logged in.

#### The "Close-off" Process

This Benchmark **MUST** be performed **AFTER** you have confirmed that all transactions affecting inventory (ie **Item Sales** and **Item Purchases, Adjustments etc**) have been entered into your data file for **this period** currently being reconciled.

This Benchmark **MUST** be performed **BEFORE** any transactions that affect inventory (ie **Item Sales** and **Item Purchases, Adjustments etc**) are entered into your data file for the **next period** - unlike Bank, Receivables and Payables! There must be a **clean** "close-off" point in time.

#### The "Backup" Process

To be safe (as insurance) we strongly recommend you do a **backup of your data file**. Do this as at the "close off" of your reporting period.

Please follow our Standard Procedure Instruction "**Backup and Restore Process**" SPI:2510 and make name conversions as listed in this table:-

Name Conversion Table	When you come across this in SPI:2510 ...	Replace it with this for this SPI (SPI:2420) ...
Backup File Name Backup Folder Name	eg 1-mon.zip C:\MYOB10\backup	stck0106.zip C:\MYOB10\MYOBarch
Restore File Name Restore Folder Name	deleteme.dat C:\MYOB10\backup	stck0106.dat C:\MYOB10\MYOBarch

Having now backed-up, the easiest way to reconcile is by comparing the total value of an **Items List (Summary)** report with the total of your **Linked Inventory** accounts in the Chart of Accounts.

This reconciliation comparison **MUST** be performed **as at the close-off time**.



## The "Inventory Reconciliation Comparison" Process

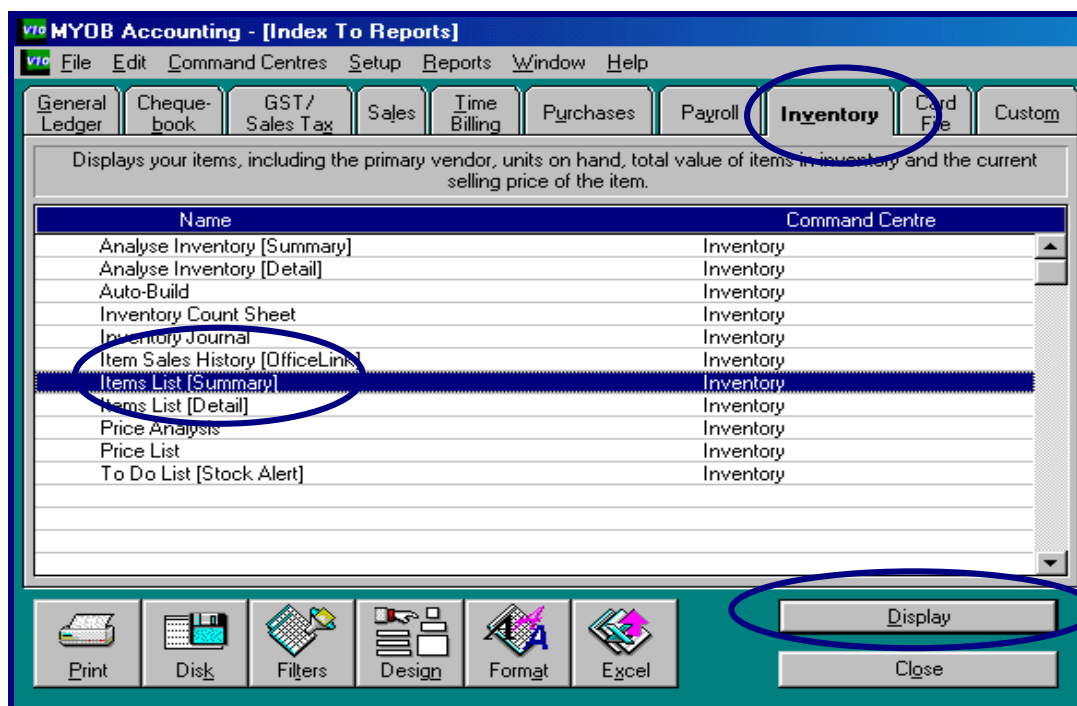
### Step 1 - The Items List (Summary)

This report must be generated as at the close off period end date (eg as at 30<sup>th</sup> June 2000).

From the pull down menu bar click on **Reports** and select **Index to Reports**.



You will be presented with the "Index to Reports" window. Click on the **Inventory** tab at the top of the screen, and then select the **Items List (Summary)** Report.



Click the **Display** button to continue.



You will be presented with the "Report Filters" window. Select **All Vendors**, then **All Items**, then with your mouse, select **Inventoried** in the **Item Action** field, and then select **Include Inactive Items**.

Click the **OK** button to generate the report.



You will now be at the "Screen Reports" window. Scroll to the bottom of the report and note the **Grand Total**.

Item No	Description	Qty	Unit Price	Total Price	Other Price
560	Tea				
600	Clear & Bright Filters	12	\$282.00	\$23.50	\$37.50
	20 Litres North Spring				
610	Underwater Springs Pty Ltd	80	\$1,192.96	\$14.912	\$25.00
	20 Litres South Spring				
630	Mountain Spring	53	\$830.31	\$15.6662	\$25.00
	20 Litres Clear Carbon				
640	Mountain Spring	20	\$420.90	\$21.045	\$30.00
	20 Litres Orange Carbon				
650	Mountain Spring	26	\$397.90	\$15.3038	\$30.00
	12 Litres North Spring				
670	Mountain Spring	93	\$172.64	\$1.8563	\$18.50
	12 Litres Clear Carbon				
680	Mountain Spring	95	\$1,125.04	\$11.8425	\$17.50
	12 Litres Orange Carbon				
700	Mountain Spring	83	\$1,035.78	\$12.4793	\$17.50
	Pine Stand				
710	Curbys Super Stands	18	\$575.35	\$31.9639	\$50.00
	Steel Stand				
	Curbys Super Stands	9	\$472.24	\$52.4711	\$76.00
Grand Total:			\$47,678.87		

Now, click the **Print** button to print this report to paper. You will be presented with the Windows **Print** manager. Select your chosen printer and then click the **OK** button to print.

**Print**

Printer: Canon Bubble-Jet BJ-200 on LPT1:

Print range:

☒ All

☐ Selection

☐ Pages

From:  To:

Print quality: 360 dpi

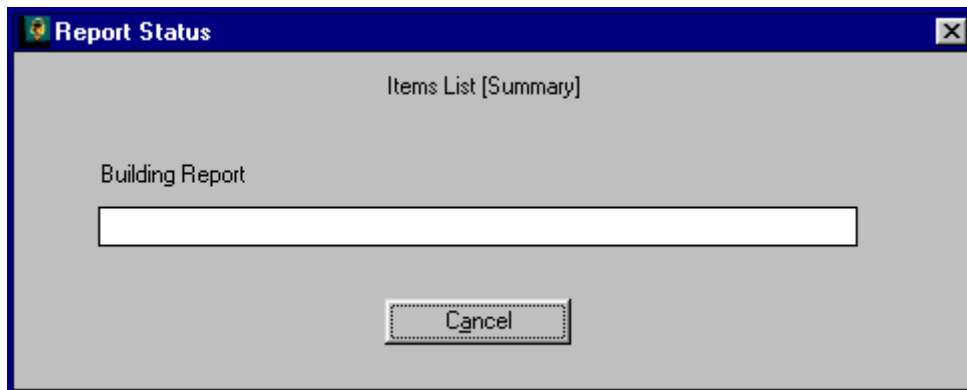
Copies: 1

☒ Collate copies

OK Cancel Setup...



The report will generate.



Now that it has printed, you will be back at the **Screen Reports** window. Click the Close button in the bottom right hand corner to return back to the **Reports Index**. Click the Close button again and you will return to the main Command Centre.

Once it's printed, note the "**Grand Total**". This total must reconcile with the Balance Sheet total of the Inventory Linked Account(s).

Then, file this printed report in your **Data File Integrity Check** folder as substantiation of the accuracy of this Benchmark.



### Benchmark 6 - Step 1 - Command Chain:

[ Reports // Index to Reports // Inventory // **I**tems List (Summary) // Display // AIl Vendors // AIl Items // **I**tem Action = **I**ntoried // Include Inactive Items // OK // Print // *select printer* // **O**K // Close // Close ]



## The "Inventory Reconciliation Comparison" Process

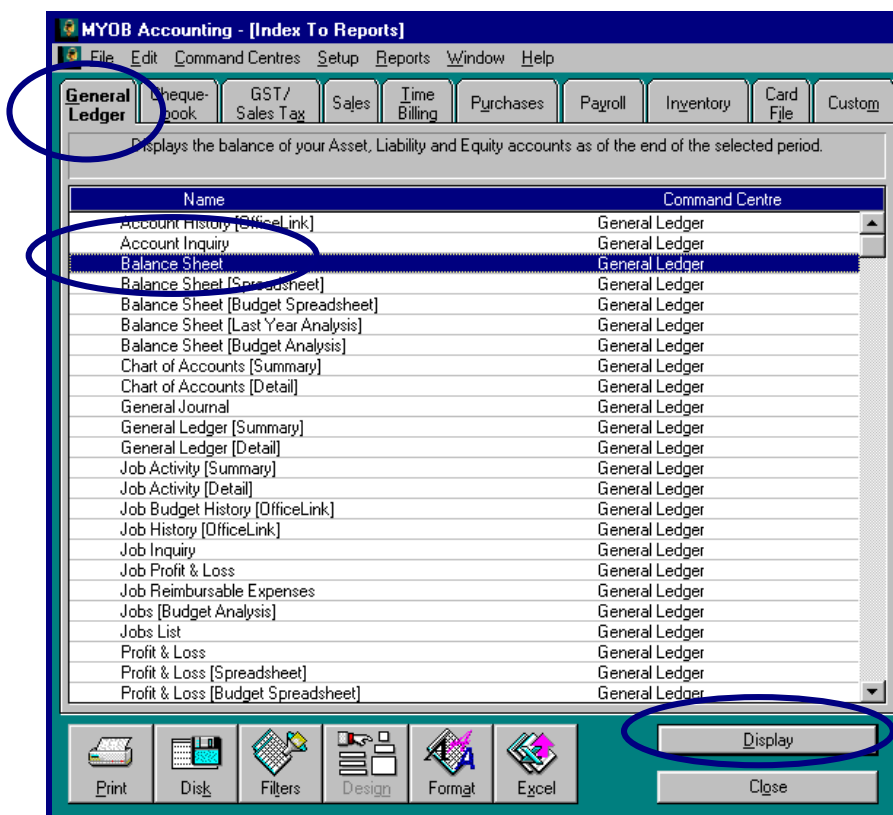
### Step 2 - The Balance Sheet

In this example we will generate and print a Balance Sheet as at the close off period end date (eg as at 30<sup>th</sup> June 2000).

From the pull down menu bar click on **Reports** and select **Index to Reports**.



You will be presented with the "Index to Reports" window. Click on the **General Ledger** tab at the top of the screen, and then select the **Balance Sheet** Report.



Click the **Display** button to continue.





You will be presented with the "Report Filters" window. Select **I**nclude Account Numbers, then with your mouse select **R**eport Level 4, then select the appropriate year (eg **T**his Year (FYxx)), and then with your mouse select the **M**onth Name in the selection bar.

Click the **OK** button to generate the report.



You will now be at the "Screen Reports" window. Scroll to and note the **Inventory Account** balance (eg Account No 1-1400).

**MYOB Accounting - [Screen Reports]**

File Edit Command Centres Setup Reports Window Help

**Clearwater Pty. Ltd.**  
25 Spring Street  
Blackburn  
VIC 3130

**Balance Sheet**

**June 2001**

3/6/2001  
8:24:35 pm

1-0000 Assets	
1-1000 Current Assets	
1-1100 General Cheque Account	\$41,669.90
1-1200 Petty Cash	\$100.00
1-1300 Trade Debtors	\$140,986.39
1-1400 Inventory	\$47,687.87
1-1999 Electronic Payments Clearing	-\$36,653.53
1-2000 Non-Current Assets	
1-2100 Furniture & Fittings	
1-2110 F & F - at cost	\$24,000.00
1-2120 F & F - Acc. Depn.	-\$8,000.00
1-2200 Plant & Equipment	

Print Disk Filters Design Format Excel Close Save As

Press F1 to get help. Clearwtr.dat

Now, click the **Print** button to print this report to paper. You will be presented with the Windows **Print** manager. Select your chosen printer and then click the **OK** button to print.

**Print**

Printer: Canon Bubble-Jet BJ-200 on LPT1: OK Cancel Setup...

Print range

☒ All  
☐ Selection  
☐ Pages

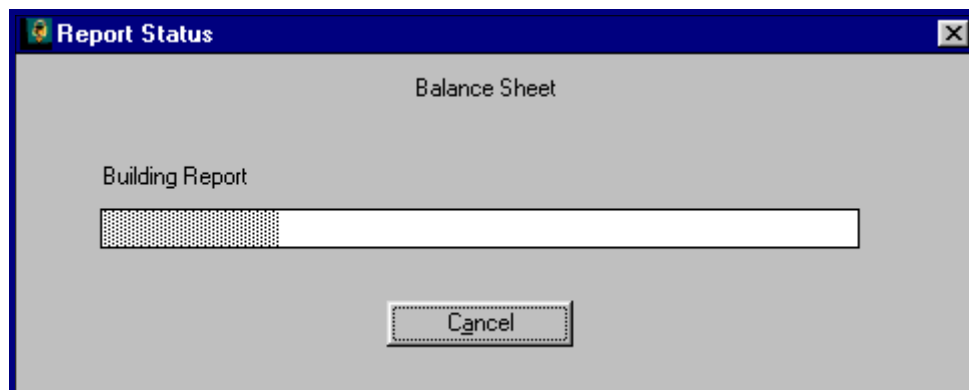
From:  To:

Print quality: 360 dpi Copies: 1

☒ Collate copies



The report will generate.



Now that it has printed, you will be back at the **Screen Reports** window. Click the Close button in the bottom right hand corner to return back to the **Reports Index**. Click the Close button again and you will return to the main Command Centre.

Once it's printed, note the "**Inventory**" linked account(s) balance. This total must reconcile with the Items List (Summary) Grand Total.

Then, file this printed report in your **Data File Integrity Check** folder as substantiation of the accuracy of this Benchmark.



### Benchmark 6 - Step 2 - Command Chain:

[ Reports // Index to Reports // General Ledger // **B**alance Sheet // Display // Include Account Numbers // **R**eport Level 4 // This Year // **m**onth (*June*) // OK // Print // *select printer* // **O**K // Close // Close ]



## Benchmark 7

### Reconcile Clearing and Contra Accounts

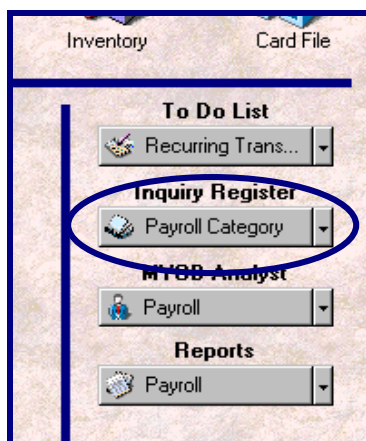
You may have Clearing Accounts and/or Contra Accounts that are set up in your Chart of Accounts. They would normally be either **Liability** (2-xxxx) accounts or **Asset** (1-xxxx) accounts. Each of these accounts need to be reconciled to **\$0.00** (zero).

This doesn't mean that they have to show a closing balance of **\$0.00** (zero). What it does mean is that the closing balance of an account of this type must be able to be "seen" to be accounted for, and will become **\$0.00** (zero) when the "clearing" payment is made (normally during the next month).

Often, like in the case of Superannuation Clearing, you will accrue a liability in August, yet you actually pay for it in September. Therefore at the end of August there is a balance, which if you were to include the September payment as an August dated transaction, then the balance would be **\$0.00** (zero).

The best place to do this reconciliation process is from an Account Inquiry Screen and in the following example we'll use the Superannuation Clearing account to get the idea.

From the main Command Centre, in the Analyst's area, click on the **Inquiry Register** (a short cut Hot Key that we learn is [Ctrl+Y] from anywhere in the system).





This will take you to the **Inquiry Register**. Select the Accounts tab at the top left corner of the screen, **Search By:** Account and enter your Chart of Accounts "Account Code" in the Search By: **Account** field (eg 2-1430 Superannuation Payable). Ensure that your chosen dates are for the total period under review (eg **Dated From:** 1/7/2000 **To:** 30/6/2001).

**Beginning Balance** would have been reconciled to \$0.00 at the end of last year. To check, add Total Credits to it and the sum of them will be the Total Debits

**Ending Balance** is \$0.00 at the end of this year. This is not always the case, as you may not pay the Superannuation Fund until early in July (which is in "next year").

ID#	Src	Date	Acct	Memo	Debit	Credit	Job
3	CD	3/7/2000	2-1430	Sue Smith		\$42.00	
100343	CD	7/7/2000	2-1430	Avienne Ins	\$975.00		
100344	CD	7/7/2000	2-1430	Only Superannuation Fu	\$1,475.00		
8	CD	17/7/2000	2-1430	Mary Jones		\$37.80	
9	CD	17/7/2000	2-1430	Alan Long		\$175.00	
10	CD	17/7/2000	2-1430	Peter Parker		\$37.80	
11	CD	17/7/2000	2-1430	Sue Smith		\$15.75	
18	CD	5/8/2000	2-1430	Sue Smith		\$33.60	
100360	CD	7/8/2000	2-1430	Avienne	\$250.60		
100361	CD	7/8/2000	2-1430	Only	\$57.75		
19	CD	19/8/2000	2-1430	Alan Long		\$175.00	
20	CD	19/8/2000	2-1430	Sue Smith		\$42.00	
21	CD	19/8/2000	2-1430	Mary Jones		\$46.20	
22	CD	19/8/2000	2-1430	Peter Parker		\$40.32	
25	CD	4/9/2000	2-1430	Mary Jones		\$33.60	
26	CD	4/9/2000	2-1430	Peter Parker		\$33.60	
27	CD	4/9/2000	2-1430	Sue Smith		\$42.00	
100386	CD	4/9/2000	2-1430	Avienne	\$261.52		
100387	CD	4/9/2000	2-1430	Only	\$75.60		
28	CD	18/9/2000	2-1430	Mary Jones		\$21.00	
29	CD	18/9/2000	2-1430	Alan Long		\$175.00	
Beginning Balance					\$2,450.00 cr		
Total Debits					\$5,696.64		
Total Credits						\$3,246.64	
Net Change					\$2,450.00		
Ending Balance						\$0.00	

Print Close

When you have finished repeating this process for all clearing and contra accounts, click on the **Close** button to return to the main Command Centre.

Remember that the **6-9999 "I don't know where to put this"** account is also a Clearing account. Its whole purpose is to "store" transactions that you "don't know" to which account you should allocate them. In the first instance, if there are any transactions "temporarily resident" in this account that you are unsure how to deal with, consult with your chosen Nationwide Training Australia Network consulting Coach. Wherever your Coach can, they will guide you. Make this your first "port of call" for assistance. There will most likely be some queries that you will need to ask your external accountant. Your Coach will give you this direction, and after a short time, you will find that you are "beginning to think more like your accountant" in these more difficult allocations. ☺



## Benchmark 8

### Review your Chart of Accounts (Detail)

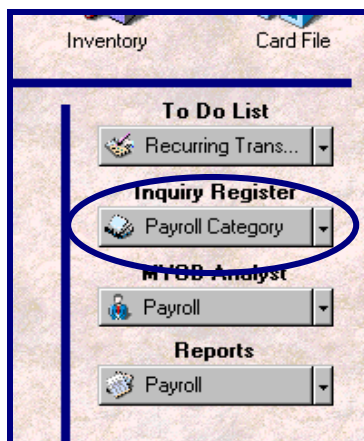
This is a lengthy, yet very rewarding process. You will need to follow this process for every account in your Chart of Accounts, except for the types of accounts in the following list:-

- 1 Financial Institution (Bank) accounts
- 2 Receivables Control Account
- 3 Payables Control Account
- 4 Inventory Linked account(s)
- 5 Clearing and Contra accounts

Excluding accounts that fall into the above categories, you would begin this process with the **Asset** (1-xxxx) accounts, moving through the **Liability** (2-xxxx) accounts and then, the **Equity** (3-xxxx) accounts. Then you would continue with the **Income** (4-xxxx) accounts, moving through the **Cost of Sales** (5-xxxx) accounts, the **Expense** (6-xxxx) accounts and then the **Other Income** (8-xxxx) accounts and the **Other Expenses** (9-xxxx) accounts.

The best and easiest place to perform this reconciliation process is in an Account Inquiry Screen. In the following example we'll use the **Office Rental** (6-6500) account to get the idea of what to do and how to "think" about each account.

From the main Command Centre, in the Analyst's area, click on the **Inquiry Register** (a short cut Hot Key that we learn is [Ctrl+Y] from anywhere in the system).





This will take you to the **Inquiry Register**. Select the Accounts tab at the top left corner of the screen, **Search By:** Account and enter your Chart of Accounts "Account Code" in the Search By: **Account** field (eg 6-6500 Office Rental). Ensure that your chosen dates are for the total period under review (eg **Dated From:** 1/7/2000 **To:** 30/6/2001).

**MYOB Accounting - [Inquiry Register]**

File Edit Command Centres Setup Reports Window Help

Account Card Invoice Purchase Job Payroll

Search By: Account 6-6500 Office Rental

Dated From: 1/7/2000 To: 30/6/2001

#	Src	Date	Acct	Memo	Debit
7	CD	25/7/2000	6-6500	Outreach Real Estate	\$217.35
9	CD	23/8/2000	6-6500	Outreach Real Estate	\$217.35
9	CD	22/9/2000	6-6500	Outreach Real Estate	\$217.35
4	CD	25/10/2000	6-6500	Outreach Real Estate	\$217.35
1	CD	25/11/2000	6-6500	Outreach Real Estate	\$217.35
3	CD	24/12/2000	6-6500	Outreach Real Estate	\$217.35
4	CD	24/1/2001	6-6500	Outreach Real Estate	\$217.35
7	CD	23/2/2001	6-6500	Outreach Real Estate	\$217.35
8	CD	25/3/2001	6-6500	Outreach Real Estate	\$217.35
9	CD	24/4/2001	6-6500	Outreach Real Estate	\$217.35
0	CD	26/5/2001	6-6500	Outreach Real Estate	\$217.35
1	CD	24/6/2001	6-6500	Outreach Real Estate	\$217.35

Beginning Balance \$0.00 Total Debits \$2,608.20 Total Credits \$0.00 Net Change \$2,608.20 Ending Balance \$2,608.20

Print Close

Our goal in this exercise is to ensure that the Ending Balance is true and correct.

The Beginning Balance in a Balance Sheet account would be the same as the closing balance on the previous Balance Sheet. The Beginning Balance in a Profit & Loss account would be \$0.00 at the start of a financial year, or at another point during the year, the same as the balance on the previous Profit & Loss Statement.

The transactions for the period would represent what you know has happened in "real life".

example: Office Rent

Period = 12 months, therefore you would expect 12 x's the monthly rent to be included - not 11 and not 13!

Go count from July to June. Ensure that they're all there.

If they aren't there, go find where the missing ones have been mis-allocated and re-allocate them correctly. Don't leave an account until you are sure that it is a true and accurate representation of what happened in "real life".

No-one else would know as much about what happened in your business than you - the owner!

When you have finished repeating this process for all appropriate accounts, click on the **Close** button to return to the main Command Centre.



## Benchmark 9

### Review your Formal Reports

In this Benchmark you'll print a **Balance Sheet** report and **Profit & Loss Statement** report, at **Level 4** and you will look for any obvious errors.

We'll use the **Profit and Loss Statement** in this example.

Once you've completed the Profit and Loss Statement, using this as an example, please follow the same process and do it again, this time using, printing and "looking at" the **Balance Sheet**.

#### Example ...

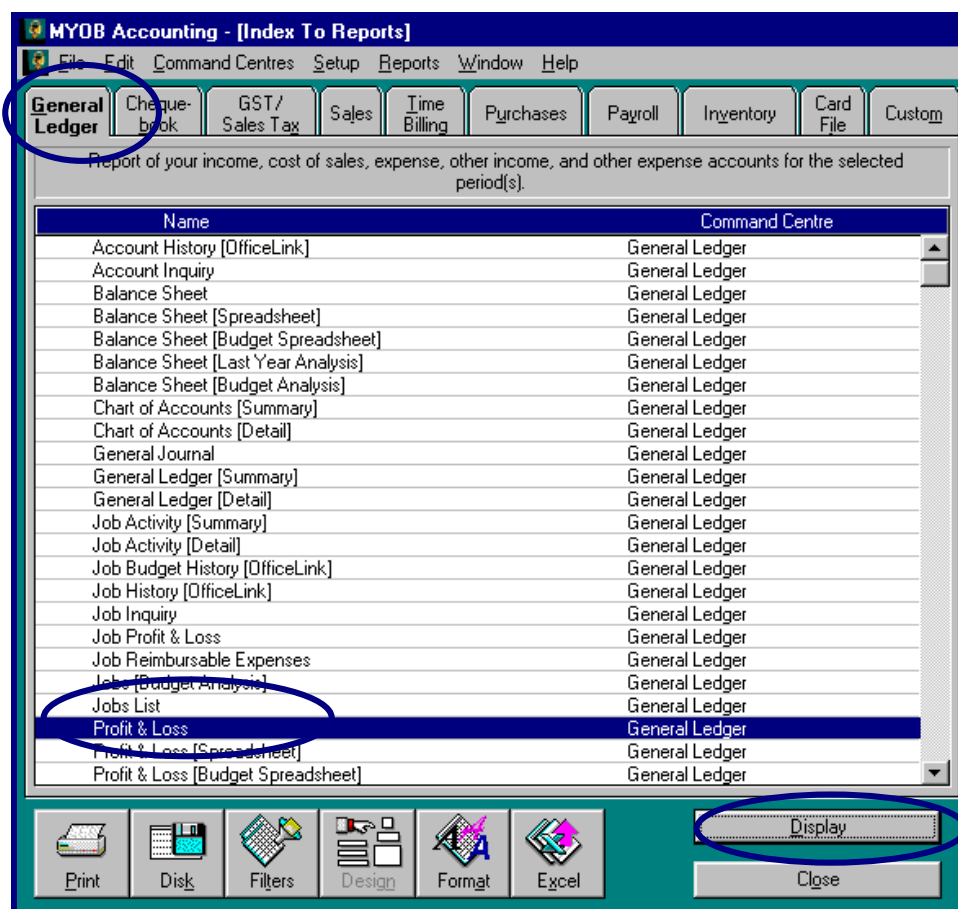
From the pull down menu bar, click on **Reports** and then select **Index to Reports**.







You will be presented with the "Index to Reports" window. Click on the **General Ledger** tab at the top of the screen, and then select the **Profit & Loss** Report.



Click the **Display** button to continue.



You will be presented with the "Report Filters" window. Select **I**nclude Account Numbers, then with your mouse select **R**eport Level 4, then select the appropriate year (eg **T**his Year (FYxx)), and then with your mouse select the **M**onth Names in the selection bar, and finally, select **I**nclude \$0.00 Balances.

Click the **OK** button to generate the report.

You will now be at the "Screen Reports" window. See the example on the next page.

Interestingly, there are "thought notes" on this page, just to let you know how one may "think" as one "goes through" each account. One will certainly be using "local" knowledge.




MYOB Accounting - [Screen Reports]

File Edit Command Centres Setup Reports Window Help

### Profit & Loss Statement

1/7/2000 through 6/30/2001



4-0000	Income		
4-1000	Sales Income		
4-1100	Sales - Spring Water	\$35,357.50	
4-1200	Sales - Carbonated Water	\$12,195.00	
4-1300	Sales - Water Cooler	\$26,221.00	
4-1400	Sales - Crock	\$3,688.00	
4-1500	Sales - Stands	\$480.00	
4-1600	Sales - Other Equip	\$25,765.00	
4-2000	Service Income		
4-2100	Service - Coolers	\$8,110.00	
4-2200	Service - Other Income	\$26,159.00	
4-3000	Freight Income	\$50.00	
4-4000	Discounts Given - Contra	\$0.00	
4-5000	Time Billing Income		
4-5100	Consultancy Income	\$1,250.00	
4-5200	Travelling Time	\$40.00	
4-5300	Secretarial Income	\$90.00	
4-5400	Km travelled	\$30.50	
4-5500	Photocopying Income	\$18.50	
4-9999	GST Contract Adjustments	\$0.00	
	Total Income		\$139,454.50
5-0000	Cost Of Sales		
5-1000	COS - Water	\$23,143.81	
5-2000	COS - Equipment	\$47,273.73	
5-2100	Discounts Given	\$0.00	
	Total Cost Of Sales		\$70,417.54
	Gross Profit		\$69,036.96
6-0000	Expenses		
6-1000	Advertising	\$1,413.00	
6-2000	Bank Charges	\$45.00	
6-2100	Discounts Taken	\$0.00	
6-2200	Freight Paid	\$0.00	
6-2300	Late Fees Paid	\$0.00	
6-3000	Depreciation	\$0.00	
6-4000	Electricity	\$490.00	
6-5000	Insurance	\$0.00	
6-6000	Staff Refreshments	\$0.00	
6-6100	Motor Vehicle	\$27.00	
6-6500	Office Rental	\$16,926.38	
6-6550	Other Office Costs	\$1,900.00	
6-7000	Postage & Stationery	\$615.68	
6-7500	Freight	\$0.00	
6-8000	Payroll Expenses		
6-8100	Salaries/Wages	\$40,583.00	
6-8200	Superannuation	\$3,246.64	
6-8300	Workers Compensation	\$0.00	
6-8400	Penalties	\$0.00	
6-8500	Other Employer Expenses	\$0.00	
6-8900	Sub-Contractors	\$0.00	
6-9000	Telephone	\$0.00	
6-9999	GST Contract Adjustments	\$0.00	
	Total Expenses		\$65,256.70
	Operating Profit		\$3,780.26
8-0000	Other Income		
8-1000	Other Interest	\$85.00	
	Total Other Income		\$85.00
9-0000	Other Expenses		
9-1000	Other Expenses	\$0.00	
9-2000	Private Use	\$0.00	
	Total Other Expenses		\$0.00
	Net Profit/(Loss)		\$3,865.26

This may be "you" thinking!

Mmmm. Office Rental looks far too high for what I know! I wonder what's gone wrong here?

Print Disk Filters Design Format Excel Close Save As



You can then use the report, as we have on the previous page, as an indexed reference to identify and then to Inquire (Ctrl+Y) into specific accounts to check and verify (and re-allocate to/from) their contents to correct their accuracy.

For example, you are now "looking at" the Office Rental account (6-6500), knowing that you pay \$217.35 per month. A figure of \$16,926.38 may seem far too high for the year.

Use the Inquiry function and have a closer look at the transactions that make up the amount for that account. The problem may simply have been caused by an account mis- allocation.

ID#	Src	Date	Acct	Memo	Debit	Credit
100357	CD	25/7/2000	6-6500	Outreach Real Estate	\$217.35	
100379	CD	23/8/2000	6-6500	Outreach Real Estate	\$217.35	
100399	CD	22/9/2000	6-6500	Outreach Real Estate	\$217.35	
100404	CD	25/10/2000	6-6500	Outreach Real Estate	\$217.35	
100411	CD	25/11/2000	6-6500	Outreach Real Estate	\$217.35	
100413	CD	24/12/2000	6-6500	Outreach Real Estate	\$217.35	
100414	CD	24/1/2001	6-6500	Outreach Real Estate	\$217.35	
100417	CD	23/2/2001	6-6500	Outreach Real Estate	\$217.35	
100418	CD	25/3/2001	6-6500	Outreach Real Estate	\$217.35	
100422	CD	18/4/2001	6-6500	Huston & Huston Pack	\$14,318.18	
100418	CD	24/4/2001	6-6500	Outreach Real Estate	\$217.35	
100420	CD	26/5/2001	6-6500	Outreach Real Estate	\$217.35	
100421	CD	24/6/2001	6-6500	Outreach Real Estate	\$217.35	

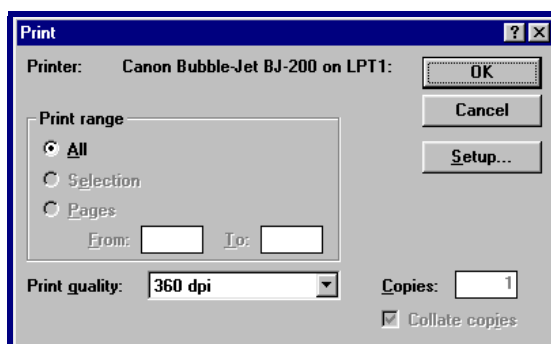
  

Beginning Balance	Total Debits	Total Credits	Net Change	Ending Balance
\$0.00	\$16,926.38	\$0.00	\$16,926.38	\$16,926.38

There it is!  
A Raw Materials purchase gone to the wrong account. Well, I'll be darned! I'll have to "zoom" into it and re-allocate it to the correct 5-xxxx account. That'll fix this Office Rental account up. Mmmm! Good stuff.

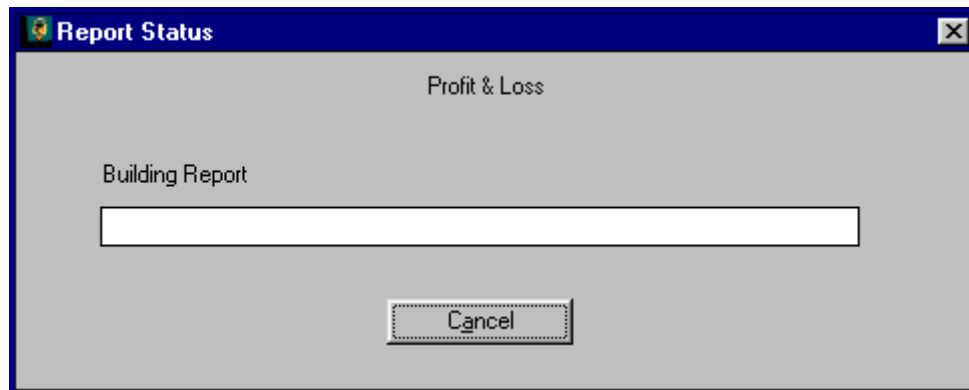
Print a copy of the report, then you can easily "do red pen scribble" identifying accounts that "look or feel" incorrect.

Now, click the **Print** button to print this report to paper. You will be presented with the Windows **Print** manager. Select your chosen printer and then click the **OK** button to print.





The report will generate.



Now that it has printed, you will be back at the **Screen Reports** window. Click the Close button in the bottom right hand corner to return back to the **Reports Index**. Click the Close button again and you will return to the main Command Centre.

Once you have made all of the possible corrections, and the integrity of the report is as best as you can make it, print another copy of it and include that copy in your **Data File Integrity Check** folder as substantiation of the accuracy of this Benchmark.



#### Benchmark 9 - Command Chain:

[ Reports // Index to Reports // General Ledger // **P**rofit & Loss // Display // Include Account Numbers // **R**eport Level 4 // This Year // **s**elect months (*Jul-Jun*) // Include \$0.00 Balances // OK // Print // *select printer* // **O**K // Close // Close ]



## Benchmark 10

### Lock your Data File

This Benchmark is the most critical of all Benchmarks in this SPI.

No matter how thorough you proceed through the previous Benchmarks, unless you do this one - you'll have to do all the others again, each time you do an Integrity Check of your data file.

#### *You may ask - Why?*

Well, let's say that you had done July and you didn't lock your data file. When you come to do August, you'll have to do both July and August - not just August. That means you are now doing July for a second time!

#### *You may ask - Why?*

Because you won't know if anything has been changed in, added to, or deleted from July.

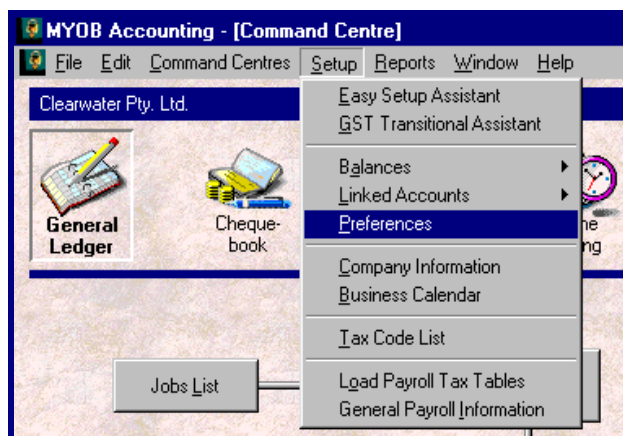
#### ☹ *silly eh!*

Just imagine. You've done all the months individually and you've been really good and locked your data file at the conclusion of each integrity check, month by month. You now do April. You "forget" to lock the data file at the conclusion of April.

When you get to do May, you will never know if anything has been changed in, added to, or deleted from the previous (maybe ten) month(s). The only answer is, do them all again! What a waste of resources! I'm sure that you can find better things to do with your time than doing this, again!

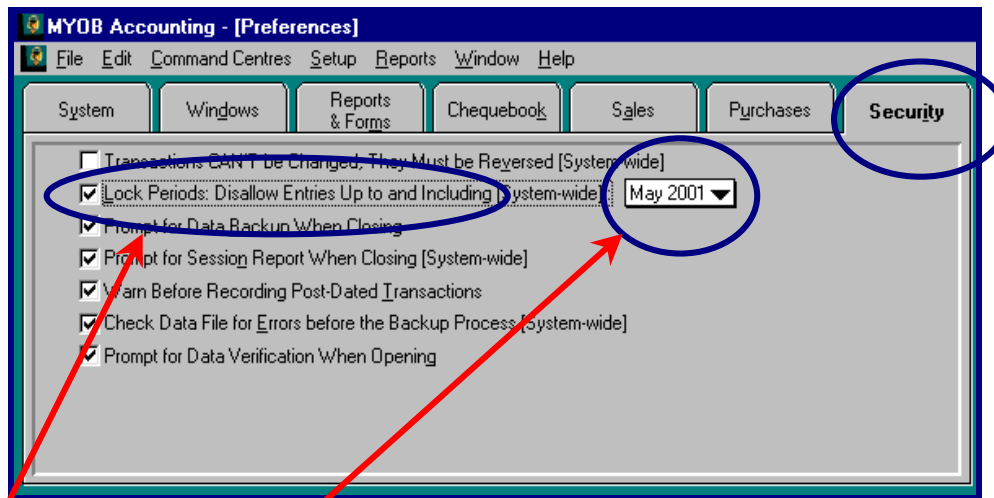
So, Lock your Data File - and this is how you do it.

From the pull down menu, select **S**etup and then **P**references.





You will be at the Preferences window. Click on the **Security** tab at the top right corner of the window.



There are two parts to Locking your data file.

**Lock Periods: Disallow Entries Up to and Including [System Wide]** needs to be always checked on with a tick. Never turn it off.

The "**pop out selection list**" to the right of the "Lock Periods" field must always be altered immediately after you have completed your Data File Integrity Checking process. It needs to be locked up to the most current month that you have completed checking. Just click on it with your mouse and drag to the appropriate month/year and let go. There you have it. Simple, isn't it?

This is so simple. So simple, that it's stupid. Stupid if you don't do it, that is!



#### Benchmark 10 - Command Chain:

[ Setup // Preferences // Security // Lock Periods // *click mouse on month/year selection to "keep up to date"* // OK ]