

Control Account Reconciliation Statement

Dr	Sales ledger control account	Cr
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<div style="text-align: right; margin-bottom: 5px;">\$</div> Balance b/d (large amount) Credit sales Bank (dishonored cheques) Interest charged to debtors Bank (refund to customers) Balance c/d (small amount)	<div style="text-align: left; margin-bottom: 5px;">\$</div> Balance b/d (small amount) Bank Cash Discounts allowed Sales returns Bad debts Contra/set-off Balance c/d (large amount)
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Dr	Purchases ledger control account	Cr
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<div style="text-align: right; margin-bottom: 5px;">\$</div> Balance b/d (small amount) Bank Cash Discounts received Purchases returns Contra/set-off Balance c/d (large amount)	<div style="text-align: left; margin-bottom: 5px;">\$</div> Balance b/d (large amount) Credit purchases Bank (returned cheques) Interest charged to creditors Bank (refund from suppliers) Balance c/d (small amount)
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Control Account Reconciliation Statement

There are four types of errors that affect control account and sale ledger and purchase ledger:

- 1- Casting error in books of prime entry affects only control account and is therefore rectified through control accounts. Examples may include any of the following:
 - (a) Sales / purchase journal overcast or under cast.
 - (b) Returns Journal overcast or under cast.
 - (c) Discounts column in cash book overcast or under cast.
- 2- Complete omission of a transaction affects control accounts and sales / purchase ledgers and is therefore rectified through adjusted control accounts and debtors / creditors reconciliation statement. Examples may include of the following:
 - (a) Sales / purchase invoice was entirely omitted from books.
 - (b) Debit / credit note not entered anywhere.
- 3- Errors in the personal accounts affect only the debtors / creditors and are therefore rectified through debtors / creditors reconciliation statements. Examples may include any of the following:
 - (a) Incorrect value of purchase / sale posted to creditors / debtors personal accounts.
 - (b) Correct amount entered on the wrong side of personal account.
- 4- Incorrect amount entered on the invoice will affect control accounts and sales / purchase and is therefore rectified through adjusted control and debtors / creditors reconciliation statements. Examples may include any of the following:
 - (a) An invoice of \$350 was incorrectly totaled as \$305.
 - (b) An invoice of \$482 was incorrectly recorded in the journal as \$428

Summary

Type of Error	Adjusted control Accounts	Debtors or creditors Reconciliation statements
1. Casting errors in books of prime entry	YES	NO
2. Complete omission of transaction	YES	YES
3. Individual error / errors in personal account	NO	YES
4. Errors in source documents	YES	YES