



General Ledger Policy

Policy Type	Administrative/Financial Policy		
Responsible Department	Office of Chief Executive Officer		
Responsible Officer	Deputy Chief Executive Officer		
Related policies/documents			
Date adopted	21 March 2023	Minute Number	2023.44
Version	3		
Last reviewed	February 2019		
Next Review date	March 2027		

Introduction

It is imperative that Council's ensure that the internal controls surrounding the General Ledger are operating efficiently, as the financial information contained in the General Ledger is the basis of the financial statements and management reports.

Section 124(1) of the *Local Government Act 1999* states that 'a council must keep such accounting records as correctly and adequately record and explain the revenues, expenses, assets and liabilities of the council'. Council can meet these obligations by developing and implementing effective internal financial controls in relation to the General Ledger.

Council should consider the following issues in relation to the General Ledger:

- Processing of accurate journals and effective review of such journals;
- Regular Balance Sheet Reconciliations that are reviewed independently;
- Adequate data security measures, including access controls and a formal disaster recovery plan.

1. Key Issues/Risks

In relation to the General Ledger, the major risks faced by Council is summarised as follows:

- General Ledger does not contain accurate financial information;
- Data contained within the General Ledger is permanently lost.

2. Segregation of Duties

The following segregation of duties should exist within the General Ledger cycle:

- Preparation of journals and Balance Sheet Reconciliations; and
- Review and approval of journals and Balance Sheet Reconciliations.



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3. General Ledger Controls

Controls in place to prevent the General Ledger not containing accurate financial information include the following:

3.1 General Journals

General journals are to be reviewed and authorised by an independent person who ensures the correct account allocation has been used and all other details on the journal are correct.

The batch number will be used as the journal number when inputting a journal entry.

Each journal filed in the journals folder should have the following attached:

- A print out of the batch that was loaded into Council's finance system;
- A print out of updating the batch in Council's finance system; and
- Any additional supporting documentation.

Were possible, the duties of requesting the journal and processing the journal should be segregated.

Once the journal has been posted into Council's finance system, journals are signed as being entered and filed to ensure that no journals are overlooked or posted twice.

3.2 General

All computer users are to have program access analysed in conjunction with their job descriptions to determine the appropriate levels required to carry out their duties. Access to the General Ledger is restricted to approved personnel as per the Deputy Chief Executive Officer.

Balance Sheet Accounts (including control and clearing accounts) are to be reconciled monthly and reviewed by an independent person. The suspense accounts are to be regularly cleared.

The chart of accounts is to be regularly updated to ensure correct account allocations are made.

Budgets are to be reviewed in compliance with Local Government (Financial Management) Regulations 2011 r9:



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- a) *at least twice, between 30 September and 31 May (both dates inclusive) in the relevant financial year (where at least 1 report must be considered before the consideration of the report under subregulation (1)(b), and at least 1 report must be considered after consideration of the report under subregulation (1)(b))—a report showing a revised forecast of its operating and capital investment activities for the relevant financial year compared with the estimates for those activities set out in the budget presented in a manner consistent with the note in the Model Financial Statements entitled Uniform Presentation of Finances;*
- b) *between 30 November and 15 March (both dates inclusive) in the relevant financial year—a report showing a revised forecast of each item shown in its budgeted financial statements for the relevant financial year compared with estimates set out in the budget presented in a manner consistent with the Model Financial Statements.*

Controls in place to prevent data contained in the General Ledger from being permanently lost include the following:

- A formal Business Continuity Plan has been developed by Council. The objective of this plan is to ensure that there is a set of clear and comprehensive instructions relating to the recovery of records, to ensure the minimum of loss and disruption of services in the event of an emergency or disaster; and
- A daily back up is undertaken through our onsite facilities and then a second daily back up is also undertaken through the Council server which is kept offsite. **Review of Policy**

This Policy may be amended at any time and should be reviewed at least every four years since its adoption or last amendment.

Availability of Policy

This Policy will be available for inspection at the Council office listed below during ordinary business hours and available to download, free of charge, from Council's internet site: www.elliston.sa.gov.au

Customer Service Centre
21 Beach Terrace Elliston

Phone: 8687 9177

Copies will be provided to interested parties upon request subject to Council's Fees and Charges Schedule. Email dce@elliston.sa.gov.au

Version Control



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Version no.	Date adopted by Council	Synergy Record	Amendments Made	Prepared by:
3	21 March 2023	9.63.1/2 NGR234444	Version control added Minor amendments	Deputy CEO