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Responsible Officer(s):	<i>Manager Corporate Services</i>
Council File Reference:	
Applicable Legislation:	<i>Local Government Act 1999 Local Government (Financial Management) Regulations 2011</i>
Relevant Policies:	
Related Procedures:	
Delegations:	

1. Purpose

This policy outlines the management of the general ledger by council staff involved in the recording of financial transactions, changes to the general ledger or the subsequent generation of general ledger reports and reconciliations.

2. Definitions

Balance Sheet:	summarises an organisation's assets, equity and liabilities at a point in time
CEO	Chief Executive Officer
General Ledger	is a means for keeping record of a company's total financial accounts and include assets, liabilities, equity, expenses and income and revenue
Journal	a record of all transactions
Reconciliation	is the process of comparing transactions to check that the figures are correct and in agreement

3. Principles

This policy is to ensure that the appropriate procedures in relation to the maintenance and recording of transactions into the general ledger are in place to comply with Section 124 of the Local Government Act 1999 which states:

(1) A Council must:

- (a) *Keep such accounting records as correctly and adequately record and explain the revenues, expenses, assets and liabilities of the Council;*
- (b) *Keep its accounting records in such manner as will enable –*
 - I. The preparation and provision of statements that present fairly financial and other information; and*
 - II. The financial statements of the Council need to be conveniently and properly audited.*

4. Policy Statement

The general ledger is used to record all financial transactions relating to the Berri Barmera Council. It is further subdivided into assets, liabilities, equity, income and expenses. The general ledger is used to summarise the large number of transactions into categories and subsequently used to produce:

- Internal reporting for management; and
- External financial reporting

The management of the general ledger includes:

- Changes to the general ledger framework;
- General ledger account reconciliations; and
- Processing journals

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

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

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.

General Ledger Controls

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

4.1 General Journals

General Journals are to be reviewed and authorised by the Manager Corporate Services who ensures the correct account allocation has been used and all other details on the journal are correct.

Before preparing a journal, a unique journal number is required to be obtained from the journal folder. This number is to be used as the general journal reference.

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

- A Council cover sheet.
- A printout of the batch that was loaded into SynergySoft.
- A printout of updating the batch in SynergySoft.
- Plus any additional supporting documentation.

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

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

4.2 General

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

A separate supervisory password will be allocated to the Manager Corporate Services the purpose of system supervision tasks.

All new purchases of technology systems should be checked with the Manager Corporate Services prior to purchase to ensure they meet Council's requirements and network capabilities.

Balance Sheet Accounts (including control and clearing accounts) are to be reconciled monthly and reviewed by the Manager Corporate Services. The clearing and 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) Regulation 9.

5. Confidentiality

Any information provided will be treated as strictly confidential. Information provided to Council's CEO will be securely retained within Council's records.

***Electronic version on the Intranet is the controlled version.
Printed copies are considered uncontrolled.
Before using a printed copy, verify that is the current version.***