

Policy Reference Number:	1.40
Classification:	General
Last Reviewed:	April 2023 (Res 376/2023)
Next Review Date:	April 2027
Responsible Officer:	Chief Executive Officer
Approved By:	Council Resolution
Applicable Legislation:	Local Government Act 1999 Local Government (Financial Management) Regulations 2011
Relevant Policies, Procedures and Standards:	

1. INTRODUCTION

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.

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.*

The general ledger is used to record all financial transactions relating to the District Council of Robe. 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

2. 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.

3. 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.

4. 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 & Finance 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 print out of the batch that was loaded into SynergySoft.
- A print out of updating the batch in SynergySoft.
- Plus 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 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 & Finance.

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

All new purchases of technology systems should be checked with the Manager Corporate Services & Finance 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 & Finance. 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.

A formal Business Continuity Plan has been adopted 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.

5. FURTHER INFORMATION

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

Royal Circus, Robe SA 5276

Copies will be provided to interested parties upon request. Email council@robe.sa.gov.au

Any grievances in relation to this policy or its application should be forwarded in writing addressed to the Chief Executive Officer of Council.

6. POLICY REVIEW

This policy may be amended at any time and must be reviewed at least every four years since its adoption (or latest amendment).