

General Ledger Policy

Strategic Reference	Outcome 5 – Leadership Strategy 3.2 – Council takes a responsible approach to financial sustainability.
File reference	AR23/2632
Responsibility	Community & Corporate Department
Revision Number	1
Effective date	May 2023
Last revised date	N/A
Minutes reference	110/23
Next review date	May 2026
Applicable Legislation	Local Government Act 1999 Local Government (Financial Management) Regulations 2011
Related Policies	Asset Accounting Policy
Related Documents	Internal Financial Controls Framework Local Government Association Financial Sustainability Information Paper No. 18 – Financial Policies and Procedures

1. Purpose

The purpose of this policy is to ensure that Council carries out its activities in an efficient and orderly manner to achieve its objectives, to ensure adherence to management policies, to safeguard its assets and to ensure the accuracy and reliability of Council records pursuant to section 124 of the Local Government Act 1999.

2. Policy Statement

- 2.1 Council will establish, operate and keep current, a general ledger under the provisions of section 124 of the Local Government Act 1999.
- 2.2 The general ledger will be used to record all financial transactions relating to the Council's business and undertakings. It will be further subdivided into headings; assets, liabilities, equity, income and expenses.
- 2.3 This policy will also underpin Council's holistic view and management of the general ledger, culminating in subsequent publication of the annual financial statements required under section 127 of the Local Government Act 1999.

General Ledger Policy

3. Definitions

For the purposes of this Policy the following definitions apply:

“General Ledger” means the record keeping functionality for Council’s financial data, containing credit and debit account records validated by a trial balance.

4. Council Responsibilities

4.1 This policy applies to the Finance Manager and their subordinates, who have primary responsibility for the recording of financial transactions, changes to the general ledger and/or subsequent generation of general ledger reports and reconciliations.

5. Policy

5.1 General Ledger - Summary

5.1.1 The general ledger will contain general and subsidiary (where relevant) data, journals and reconciliations; plus

5.1.2 Other financial information required to fully document the business Council undertakes to comply with the Local Government Act and associated Regulations.

5.1.3 This policy asserts that segregation of duties should exist within the general ledger cycle, particularly in preparation of journals, reconciliations and the review of same. The Finance Manager and Director Community & Corporate will determine the segregation of duties according to level of risk.

5.1.4 This policy will provide Council’s external auditor with the assurance that internal financial control frameworks are being adhered to with due diligence.

5.2 General Ledger – Account Reconciliations

5.2.1 All general ledger account reconciliations will:

- (a) Be reviewed and authorised by an appropriate person with the necessary skills that is independent of the preparer, ensuring segregation of duties is maintained;
- (b) Have supporting documentation for any reconciling item(s);
- (c) Be performed in a timely manner;
- (d) Documentation will be stored within Council’s electronic document records management system.

5.3 General Ledger – Processing of Journals

5.3.1 All manual journals must have the following characteristics before being posted:

- (a) The sum of the debits and credits shall be equal for each transaction to be processed;

General Ledger Policy

- (b) Each journal shall have supporting documentation to evidence the purpose of the transaction that would satisfy an independent review;
- (c) A summarised explanation of the transaction which is entered into Council's corporate business system;
- (d) A review undertaken and authorised by an independent approver with the required skill to understand the transaction prior to being posted.

5.3.2 All manual journals must have the following characteristics after being posted:

- (a) A unique identifier (as issued by Council's corporate business system) and recorded by the preparer on each journal;
- (b) Journal to be filed in Council's electronic document records management system in sequential processing order.

5.3 General Ledger – Changes to Framework

5.3.1 Changes to the general ledger framework and/or chart of accounts are to be:

- (a) Assessed as to the impact upon processes and financial reporting; and depending on the impact, briefing prepared for Council's Finance and/or Audit & Risk Committee for information purposes;
- (b) Approved by the Finance Manager
- (c) Amended by an approved finance team member;
- (d) Documentation filed in Council's electronic document records management system.

6. Availability/Accessibility

This Policy is available for inspection at Council's offices during normal business hours and Council's website and will be emailed to interested parties on request (please lodge request in writing via email to council@coorong.sa.gov.au).

7. Document History

This Policy will be reviewed at least every three (3) years or more frequently if legislation or Council requires.

Version	Adopted	Minute No	Description of change(s)
1	16 May 2023	110/23	New policy