



General Ledger Policy

Council Policy

Renmark Paringa Council

Responsible Officer	Manager Financial Services
Relevant Legislation	Local Government Act 1999 Local Government (Financial Management) Regulations 2011
Adopted	13 March, 2018
Reviewed	September 2023
Next Review	September 2027

Purpose

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 to be conveniently and properly audited.

The general ledger is used to record all financial transactions relating to the Renmark Paringa 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



Objective

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.

Scope

This policy applies to the Finance team at Renmark Paringa Council.

Implementation

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.

Changes to the General Ledger Framework

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

- Approved by the Manager Financial Services
- Assessed as to the impact upon processes and financial reporting
- Amended by an approved person

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.

General Ledger Account Reconciliations

All general ledger account reconciliations will:

- Be performed in a timely manner;
- Have corrective action performed in a timely manner;
- Be reviewed and authorised by an appropriate person with the necessary skills that is independent of the preparer
- Have supporting documentation for any reconciling items
- Be stored in a central repository

General Ledger Controls

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

General Journals

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

A unique, sequential, journal number is to be used as the general journal reference.

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

- An excel general journal coversheet
- A GL Impact Statement of the batch that was loaded into SynergySoft.
- Any additional supporting documentation.



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

General

All computer users are to have program access in line with their job descriptions to allow only the appropriate access levels required to carry out their duties.

Access levels will be reviewed annually or with significant staff movements.

Access to the General Ledger is restricted to approved personnel as per the Manager Financial Services.

Separate supervisory access will be allocated to the Manager Financial Services the purpose of system supervision tasks.

Balance Sheet Accounts (including control and clearing accounts) are to be reconciled monthly and reviewed by the Manager Financial 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.

A formal Business Continuity Plan has been adopted by Council. An 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.

References/Related Documents

Internal Controls Policy
Risk Management Policy
Fraud, Corruption, Misconduct and Maladministration Policy
Financial Delegations Policy
Corporate Credit Card Policy
Procurement Policy
Business Continuity Plan

Document Control

Version #	Approval Date	Approved by	Amendment
01	7 September 2023	Audit & Risk Committee	New Policy