

General Ledger Policy	
Reference Number	#835128
Responsible Business Unit	Organisational Services – Finance
Responsible Officer	General Manager Corporate Services
Legislation	Local Government Act 1999
Relevant Delegations	Chief Executive Officer General Manager, Corporate Services Chief Financial Officer
Related Policies Management Guidelines Frameworks	Asset Accounting Policy
Link to Strategic Plan	Objective 5.1 - Ensuring Delivery
Council meeting reference	52.2
Council meeting date	14 March 2017 (Audit Committee 1 March 2017)
Review Date	2021
Previous Revisions	

## POLICY STATEMENT

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 Rural City of Murray Bridge. 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

## OBJECTIVES

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 the Rural City of Murray Bridge.

The electronic version accessible on Council's intranet and Council's electronic record system is the controlled version. Printed copies are considered uncontrolled – before using a printed copy verify that is the current version.

## IMPLEMENTATION

### Changes to the General Ledger Framework

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

- Approved by the Chief Financial Officer
- Assessed as to the impact upon processes and financial reporting;
- Amended by an approved person;
- Filed in a central repository.

### 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.

### Processing Journals

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

- The sum of the debits and credits shall be equal for each transaction to be processed;
- Each journal shall have supporting documentation to evidence the purpose of the transaction that would satisfy an independent reviewer and auditor;
- Each journal must include a summarised explanation of the transaction which is entered into the accounting system;
- Each journal shall be reviewed and authorised by an independent approver with the required skill to understand the transaction prior to being posted.

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

- Each journal will have a unique document number issued by the system and recorded by the preparer on each journal;
- Each journal will be filed in the central repository in numerical order