

General Ledger Governance Policy

Section 1 - Purpose

(1) This Policy defines the key mechanisms through which governance of the General Ledgers of the University and its controlled entities (the Group) is achieved.

Background

(2) The General Ledger is fundamental to understanding the University's financial performance, delivering decision support to stakeholders and enabling reporting to regulatory bodies. Governance over the General Ledger is important to ensure that the information and reporting is fit for purpose, accurate and complete.

Scope

(3) This Policy applies to all officers and directors, members, employees, consultants and contractors of Macquarie University and its Controlled Entities.

Section 2 - Policy

(4) Note: [Appendix 1 General Ledger Policy Family Tree](#) describes how policies relating to the General Ledger relate to each other.

General Ledger Governance

Governance Over Access to the General Ledger

(5) The University [Cyber Security Policy](#) and [Computer and Network Security Procedure](#) define requirements for User Access Management and User Registration for all systems, including the General Ledgers of the Group.

(6) In addition to protocols defined in those documents, the following policy position applies with respect to user profiles within General Ledger systems that are assigned access to manual journal formats:

- a. Assignment of user access as a Journal Preparer or Journal Approver requires approval from the Director, Financial Control and Treasury (for the University) or the relevant Controlled Entity Head of Finance (for a controlled entity) in addition to the approval of the user's line manager.
- b. Journal Approver rights will only be granted to staff in the Office of Group Finance (or controlled entity finance teams), and only to those staff who have formal responsibility for reviewing and approving journals as part of their role.
- c. Segregation of duties between Preparer and Approver is mandatory and will be enforced using business rules in the General Ledger system.
- d. The level of Chart of Accounts access assigned to each Journal Preparer and Approver will be sufficient for them to efficiently perform their role.

Governance Over Manual Journals

(7) Procedures for the preparation, review and approval of Manual Journal Entries for the University and its Controlled Entities are detailed in the [Manual Journal Entry Procedure](#).

Governance Over Permitted Accounting Policies

(8) Specific guidance on Capital Assets is detailed in the [Capital Asset Management Policy](#).

(9) Authority to make and amend Accounting Policies, as well as details of current Accounting Policies to which all entities in the Group must adhere, are detailed in the [Accounting Policies Policy](#) and its Appendix the [Accounting Policies Register](#).

Governance Over the Use of the University Operations and Project Ledger

(10) Appropriate uses of the University Project and Operations Ledgers, governance and controls surrounding major account set-up and ongoing use of major accounts, are detailed in the [Project and Operations Ledger Account Policy](#) and associated [Project and Operations Ledger Account Procedure](#).

Governance Over Natural Accounts and Associated Financial Reporting Hierarchies

(11) Procedures for the creation and modification of Natural Accounts and the creation and modification to associated Natural Account Reporting Hierarchies for the University, and the controlled entities are detailed in the [Natural Account and Associated Reporting Hierarchy Procedure](#).

Governance Over Balance Sheet Reconciliations

(12) Procedures for establishing requirements for the reconciliation of Balance Sheet accounts are detailed in the [Balance Sheet Account Reconciliation Procedure](#).

Governance Over Inter-company Transactions

(13) Procedures for recording and elimination of inter-company transactions in the General Ledgers of the University and its Controlled Entities are detailed in the [Inter-company Procedure](#).

Financial Delegations

(14) The [Delegations of Authority Policy](#) and its Appendices specify who may perform specific functions, including financial delegations, and the principles by which delegations of authority are exercised.

Training

(15) Appropriate General Ledger training must be completed before access is given to a General Ledger.

Section 3 - Procedures

(16) Nil.

Section 4 - Guidelines

(17) Nil.

Section 5 - Definitions

(18) Commonly defined terms are located in the University [Glossary](#). The following definitions apply for the purpose of this Procedure:

- a. Chart of Accounts means the list of account codes used to enter data in the General Ledger. Includes both General Accounts (used to code activities by nature e.g. wages, income, debtors; referred to as Natural accounts within the University) and Profit Centres (used to group activities by area of the organisation; referred to as Discipline and Major Accounts within the University).
- b. Controlled Entity Head of Finance means that most senior person in a Controlled Entity with accountability for Finance. This role may have a local title, e.g. Finance Director or Finance Manager.
- c. Financial Accounting (FA) Reporting Hierarchy means the grouping of Natural Accounts in Calumo (management reporting tool) that replicates the grouping used in Caseware (statutory reporting software).
- d. Journal Approver means the individual who reviews and approves the posting of the Manual Journal Entry into the General Ledger.
- e. Journal Preparer means the individual who creates and uploads the Manual Journal Entry into the General Ledger for approval by the Journal Approver.
- f. Management Reporting (MR) Reporting Hierarchy means the hierarchical grouping table of Natural Accounts in Calumo that groups Natural Accounts according to management preference, to best review the financial drivers of the organisation.
- g. General Ledger means the system that contains all the financial transactions of an entity.
- h. Macquarie University Group or Group means Macquarie University and its Controlled Entities.
- i. Manual Journal means a manual entry to record financial transactions in the General Ledger. Principles of double entry accounting require the journal to include debit and credit entries whose sum will be equal and opposite.
- j. Supporting Documentation means source documents, supportive calculations, and / or other items necessary to substantiate the accuracy and appropriateness of a journal entry. Typical supporting documents include, but are not limited to, general ledger reports, worksheets with supportive calculations, copies of source documents such as purchase orders, travel expense reports and third-party reports / statements.

Status and Details

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Responsible Executive	Robin Payne Vice-President, Finance and Resources
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