

# 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 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 (collectively referred to as the University Group).

## Section 2 - Policy

### Governance Over Access to the General Ledger

(4) 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 University Group.

(5) The University [Critical Finance Systems User Governance Procedure](#) defines requirements for user creation and deprovisioning, review of admin users and restricted functions access management including the General Ledgers and subledgers of the University 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 to permit editing of a General Ledger:

- a. Assignment of user access as a Journal Preparer or Journal Approver requires approval from the Director, Financial Operations, Tax and Treasury in addition to the approval of the user's line manager.
- b. Journal Approver rights will only be granted to staff within Group Finance, 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.
- e. The Director, Financial Operations, Tax and Treasury is authorised to assign Journal Preparer access across all University Group entities.
- f. The Director, Financial Operations, Tax and Treasury is authorised to assign Journal Approver levels in

accordance with the table below. Authority outside of these limits requires approval from the Deputy Group Chief Financial Officer.

<b>Title of Journal Approver</b>	<b>Entity</b>	<b>Journal approval limit</b>
Manager or Director within Financial Operations, Shared Services, and Financial Control	All	Unlimited
Lead Senior Financial Analyst within Financial Operations	University	Up to \$500,000
Lead Senior Financial Analyst within Financial Operations	Macquarie University Health	Up to \$250,000
Financial Analyst within Financial Operations	University	Up to \$100,000
Financial Analyst within Financial Operations	Macquarie University Health	Up to \$50,000

(7) Read-only access to a General Ledger may be granted to individuals, sufficient for them to efficiently perform their roles, as follows:

- a. Partial ledger read-only access (limited natural accounts or major accounts) requires approval from the individual's line manager.
- b. Full ledger read-only access (all natural accounts and major accounts) requires approval from the Director, Financial Operations, Tax and Treasury.

## **Procedure supporting this Policy**

(8) The [General Ledger Governance Procedure](#) supports this Policy by:

- a. establishing requirements for the preparation, review and approval of Manual Journal entries;
- b. establishing requirements for the reconciliation of Balance Sheet accounts;
- c. establishing requirements for the creation and modification of Natural Accounts and the creation and modification to associated Natural Account Reporting Hierarchies;
- d. establishing requirements for the recording of inter-company financial transactions and for the elimination of these transactions for University Group reporting;
- e. defining concepts of financial materiality and their application to the compilation of external financial statements; and
- f. defining practical levels of accuracy required for individual financial transactions to enable the production of materially correct entity-level external financial statements and more granular financial statements for external funding providers e.g., research grant research acquittals.

## **Financial Delegations**

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

## **Training**

(10) Appropriate training, covering General Ledger system functionality and the relevant parts of the [General Ledger Governance Procedure](#), must be completed before edit access is granted to a General Ledger or its Restricted Functions.

(11) The Director, Financial Operations, Tax and Treasury is accountable for the appropriate training of new General Ledger users, as well as for the provision of annual refresher training for existing users.

(12) Business Owners of General Ledger Restricted Functions, as listed in [Appendix A - Group Critical Finance Systems](#) are accountable for the appropriate training of new users for the General Ledger Restricted Functions for which they have oversight, as well as for the provision of annual refresher training for these users.

## Section 3 - Procedures

(13) Refer to the [General Ledger Governance Procedure](#).

## Section 4 - Guidelines

(14) Nil.

## Section 5 - Definitions

(15) The following definitions apply for the purpose of this Policy:

- 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. 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).
- c. Journal Approver means the individual who reviews and approves the posting of the Manual Journal Entry into the General Ledger.
- d. Journal Preparer means the individual who creates and uploads the Manual Journal Entry into the General Ledger for approval by the Journal Approver.
- e. 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.
- f. General Ledger means the system that contains all the financial transactions of an entity.
- g. Group Finance means the department reporting to the Deputy Group Chief Financial Officer.
- h. 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.
- i. 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

<b>Status</b>	Current
<b>Effective Date</b>	17th October 2024
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<b>Approval Date</b>	14th October 2024
<b>Expiry Date</b>	Not Applicable
<b>Responsible Executive</b>	Robin Payne Vice-President, Finance and Resources
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