

Manual Journal Entry Procedure

Section 1 - Purpose

(1) This Procedure supports the [General Ledger Governance Policy](#) in establishing requirements for the preparation, review and approval of Manual Journal entries for the University and its Controlled Entities (the Group).

Scope

(2) This Procedure applies to all staff of the Macquarie University Group involved in the creation, processing, approval, and recording of Manual Journals.

(3) This Procedure excludes Automated / System Generated Journals, which are exclusively posted by the IT Business Support team.

(4) Manual journals are used to adjust the financial results of an entity. Strong protocols around the use and quality of journals are a vital internal control which assists in ensuring accuracy and reliability of financial information.

Section 2 - Policy

(5) Refer to the [General Ledger Governance Policy](#).

Section 3 - Procedures

Responsibilities and Required Actions

Responsibilities of Journal Preparers and Approvers

Journal Preparer Responsibilities

- (6) The Journal Preparer is responsible for ensuring that the journals they create and upload:
- a. are valid and necessary;
 - b. are compliant with this Procedure;
 - c. are complete;
 - d. are using the correct format for journal entry (e.g. accrual or GST templates);
 - e. are for the correct accounting period;
 - f. have the correct Chart of Account codes on each journal line;
 - g. have complete and self-explanatory Supporting Documentation (refer also clauses 8 to 12);
 - h. are submitted for approval in a timely manner and in accordance with the applicable timetables; and
 - i. comply with relevant clauses of the [Accounting Policies Register](#).

Journal Approver Responsibilities

(7) The Journal Approver is accountable for ensuring the Journal Preparer has complied with the Procedure requirements listed above. The Journal Approver will only approve journals that comply with this Procedure.

Supporting Documentation

(8) All Manual Journal entries must have Supporting Documentation that substantiates the amount and purpose of the journal to a standard that enables the Approver or Reviewer to understand its purpose and validate its accuracy.

(9) All calculations must be clearly documented, with methodology and assumptions clearly defined. Information relied on from external sources (e.g. reports) must be documented in sufficient detail, including source and relevant parameters (e.g. dates and other filters) such that a report can be extracted, and any associated calculations could be re-performed.

(10) All Supporting Documentation must be uploaded into the General Ledger as an attachment to the Manual Journal, where the system used includes this functionality. Where such functionality is absent Approvers will document and implement protocols around document storage and retention in compliance with the [Records and Information Management Policy](#).

(11) The procedures under-pinning regular Manual Journals will be documented using a standard Manual Journal Procedure Template.

(12) Manual Journal Procedure Templates must be approved by the Journal Approver, and must also be formally re-appraised and re-approved bi-annually to ensure that they remain current. Evidence of approval must be retained on file.

Timetable for Submission and Approval of Manual Journals

(13) All Manual Journals must be prepared and approved in accordance with deadlines communicated each month by the University Financial Reporting team.

Accruals

(14) All Accrual journals must use a journal format which auto-reverses in the following period, such that the full accrual balance needs to be approved each month.

Manual Journals Impacting Prior Period Adjustments

Prior Period Adjustments - between financial years

(15) The adjustment of prior year externally audited financial results is not permitted without the written authorisation of the Vice-President, Finance and Resources.

Prior Period Journals (months within the same financial year)

(16) The adjustment of prior month results within the same financial year is not permitted without the written authorisation of the Controlled Entity Head of Finance (for Controlled Entities) or the Director, Financial Control and Treasury or their nominated delegate (for the University).

Independent Rotational Quality Reviews of Manual Journals

(17) Rotational independent quality control reviews of Manual Journals and their associated written procedures as documented in the Manual Journal Procedure Template will be performed by nominated Journal Reviewers who are neither the Preparer nor Approver of the Manual Journal under review.

(18) Reviews will focus on journals that are materially large and / or deemed to be high risk because of their inherent nature or complexity of calculation, plus any other journals that are identified as a cause for concern during month-end Income Statement and Balance Sheet results reviews.

(19) A quarterly timetable for quality reviews will be prepared by the Senior Manager Financial Controls and Compliance, for approval by the Director, Financial Control and Treasury. The timetable will detail the manual journals to be reviewed, due date for review, and nominated reviewer. Findings from the quarterly reviews, including any remediation actions and due dates for improving the quality of the journals or associated procedures, will be summarized by the Senior Manager Financial Controls & Compliance and communicated to the relevant Journal Preparers, Approvers and the Director, Financial Control and Treasury.

Section 4 - Guidelines

(20) Nil.

Section 5 - Definitions

(21) Commonly defined terms are located in the University [Glossary](#). Definitions specific to this Procedure are contained in the accompanying Policy and below.

- a. Accrual means type of reversing Manual Journal that adjusts the underlying financial results to ensure that both expenses are recorded when a liability exists, and revenue is reported when performance obligations have been met.
- b. Automated / System Generated Journal means a journal entry that is generated and submitted to the General Ledger through an interface with a subsidiary ledger or other system, without the ability for the data to be manually adjusted.
- c. Controlled Entity Head of Finance means the most senior person in a Controlled Entity with responsibility for Finance. This role may have a local title, e.g. Finance Director or Finance Manager.
- d. Financial Reporting team means the team within the Office of Group Finance, lead by Senior Finance Manager, Group Financial Reporting and Fixed Assets.
- e. Journal Approver means the individual who reviews and approves the posting of the Manual Journal Entry into the General Ledger.
- f. Journal Preparer means the individual who creates and uploads the Manual Journal Entry into the General ledger for approval by the Journal Approver.
- g. Journal Reviewer means a suitably qualified staff member who is assigned to perform a rotational quality review of a manual journal and its associated Manual Journal Procedure.
- h. Manual Journal Procedure Template means the standard template used to record a financial procedure that results in the creation of a Manual Journal.
- i. Prior Period Journals (months within the same financial year) means the type of manual journals prepared in a current month to adjust the previous months results due to a material error or omission. The preparation of these are restricted to the Financial Reporting team in the University.

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