

Journal Policy

This document covers:

- Rules behind journal approval
- Controls on journals
- Links to how to do a journal, journal naming and category protocol

1. Approval

As part of the principle of separation of duties and best practice, journals approval is required on high value journals for actuals.

Journal System Controls

The main elements built within the system around Journals:

1. If any journal line is over £50,000 or more these will require electronic approval through the Oracle automated Workflow process of that person's manager (according to the HCM structure) or whoever they delegate to. Please note it is not acceptable to put a journal amount over two or three lines to get under this limit. If it is found an officer is carrying out this procedure, they could be subject to disciplinary action.
2. User set up – only users within finance have the role that gives them the ability to upload/post journals. Access to journal screens and journal approval functionality must be authorised by the employees' line manager as part of the user set up process. The line manager must therefore be satisfied that the employee has the appropriate need to use journals and the appropriate support is available.
3. Finance users are limited to a self-approval limit of £50k per line or below. Journals above this limit must be approved by the person creating the journals line manager (according to the HCM structure) or whoever they delegate to.
4. Any user outside of finance, who wishes to post a journal, submits a template to the OracleInternalTrading mailbox; email: OracleInternalTradingJournals@walsall.gov.uk, for uploading by the Financial Systems Team. Confirmation of the posting is sent to the user.
5. Journal categories have been limited and only the categories in **Section 5** below are to be used for the manual/spreadsheet journals inputting.

2. Budget Journals

For budget journals the following control procedures are in place:

- Cash Limits – Financial Planning maintain cash limits for both capital and revenue budgets.
- Annual budget setting and monthly virements are maintained within PBCS which is the corporate "Planning and Budgeting Cloud Service".
- Financial Systems carry out regular checks to ensure the budgets on PBCS are in-line with the corporate cash limit. This is done as part of the PBCS monthly forecast roll over at the beginning of each month.

3. Guidance on how to do a Journal (actuals)

This can be found as part of the One Source Quick reference guides at:

<https://osp.walsall.gov.uk/onesource/Training-and-Support#11297346-general-ledger>

4. Journal Naming Protocol (Actuals)

To maintain good practice, standardisation, and consistency across all journals, users are reminded to ensure that the journal naming protocol is always complied with and that the journal category used is appropriate to the type of transaction being undertaken.

Meaningful descriptions should be added to each journal line to allow users to understand what the transaction means.

The protocol can be accessed on the One Source Intranet pages:

<https://osp.walsall.gov.uk/onesource/Training-and-Support#11297346-general-ledger>

5. Journal Category

The journal category chosen should be appropriate for the type of transaction being undertaken. For example, all recharges for services within the Council should use the category 'Internal Trading'. Commonly used journal categories and their associated transaction types are as follows:

Journal Category	Transaction Types
Adjustments	Where services are moving between cost centres/financial codes due to reorganisation.
Allocations	Transfer of costs or income between services following an external transaction which for ease of administration has been initially posted to a single code prior to redistribution to other codes e.g. Mobile phone bills. Where costs are recharged to a service, but the recipient has little influence over the values e.g. CSS. The budget is usually transferred with the costs and the recipient service has little influence over the value.
Internal Trading	Where the service has been requested from an in-house team. The recipient can therefore influence price and quantity.
Miscoding	To correct an incorrect posting. Not to be used for reorganisation of cost centres as that is not a miscoding. Use adjustments instead.
Transfer	This is to be used only where funds are being transferred from control accounts to balance sheet codes or where we are passporting funds to schools etc.
Year End Accrual	Year-end accruals of income and expenditure. Must be reversed in the following financial year.

These journal types should be applied consistently to the journal categories as listed and officers should ensure that the above protocols are always followed.

The protocol can be accessed on the One Source Intranet pages:

<https://osp.walsall.gov.uk/onesource/Training-and-Support#11297346-general-ledger>