

University of Liverpool Journal policy

Version Number	<i>Version 1.0.</i>		
Document Status	<i>Minor amendments to existing policy as recommended by Internal Audit.</i>		
Effective Date	<i>Last full review June 2024.</i>		
Review Period	<i>June 2027 (every 3 years or as changes in internal processes dictate).</i>		
Responsible Department	<i>Finance</i>		
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Approval Route	Committee	Submission Date	Approved?
	SLT (full review)	10 June 2024	Yes
	Finance and Resources Committee (full review)	20 June 2024	Yes
	SLT (minor updates)	23 March 2026	Yes
Linked Documents	<i>None</i>		
Does this replace any previous policies?	<i>Journal policy previously reviewed and updated June 2024.</i>		
Consultation	<i>Considered and targeted consultation with members of the Finance team, Internal Auditors and Chief Financial Officer.</i>		
Equality Impact Assessment	<i>There is no positive or negative impact of this report on equality groups and there are no implications for the University's compliance with the Equality Act.</i>		
Regulatory/ Compliance	<i>Compliance with all relevant regulatory matters.</i>		
Data Protection	<i>Given no personal data was used to produce this paper, a Data Protection Impact Assessment was not required.</i>		
Communication	<i>The new policy will be published on the University Policy Centre.</i>		

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1. INTRODUCTION

This document explains the journal policy (“the policy”) to be followed when posting journals in Unit4. This policy forms part of the University’s Financial Regulations and compliance by all individuals associated with the University is mandatory and subject to audit. Failure to adhere to this policy without the appropriate authority may lead to disciplinary action.

The policy was first introduced in 2018 and updated following the introduction of journal workflow to Unit4 in which enhanced internal controls and the approval process.

The policy has now been updated to provide greater clarity of the journal transaction types that fall within the scope of journal workflow in Unit4.

The policy will be reviewed and updated every three years or as changes in internal processes dictate.

2. OVERVIEW AND SCOPE

2.1 Overview

The Internal and External Auditors recommended that a journal policy be documented and approved for use within the University. In the absence of a policy, there is an increased risk that invalid, incomplete and inaccurate journals may be posted. This could disguise misappropriations or mean there is no evidence to support decisions made. To address this recommendation, a policy was developed.

Effective financial controls are essential to ensure that University funds are used efficiently and appropriately and that external reporting and forecasting of management information is complete and accurate.

2.2 Scope

This policy applies to all journals, except for JI and JC transactions which are excluded for reasons stated below.

The policy applies where the sum of the debits and the sum of the credits exceed £5,000. If the sum of the debits and the sum of the credits is less than or equal to £5,000 and supporting documentation attached in Unit4, the journal will automatically post.

This policy does not apply where the sum of the debits and the sum of the credits is less than or equal to £5,000.

Exceptions for JI and JC transactions

JI are inter-departmental transactions and JC are cash received journals. Both transaction types are outside the scope of journal workflow for the reasons stated below.

For JI transactions, approval is evidenced through confirmation from the relevant departments of the account or cost centre to be debited or credited as journal workflow does not permit cross departmental approval based on Unit4 functionality.

For JC transactions, approval is evidenced through performance of the daily bank reconciliation.

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3. PREPARING, REVIEWING, AND POSTING JOURNALS IN UNIT4

3.1 Preparing a journal

The preparer of the journal is responsible for inputting the journal into Unit4 and for ensuring appropriate supporting documentation is attached to the transaction. This can be a calculation, background note explaining the reason for the transaction or external / third party documentation. The evidence attached should be clearly traceable to the transaction.

Supporting documentation should be scanned, saved, and linked to the transaction in Unit4 as appropriate.

For JI transactions, though outside the scope of journal workflow, evidence of approval from both departments must be scanned and attached to the transaction in Unit4.

If the sum of the debits and the sum of the credits exceed £5,000 and supporting documentation has been attached, a more senior member of staff is required to review and authorise the transaction in Unit4. For Grades 7 and above, journals can be peer reviewed.

If the sum of the debits and the sum of the credits is less than or equal to £5,000, and supporting documentation attached the journal will have been automatically posted in Unit4 and no further action is required.

For journal type GA, supporting documentation should be scanned, saved, and linked to the original journal. It is not necessary that the documents are linked to both the original and reversal journal.

3.2 Reviewing and posting a journal

The reviewer of the journal has responsibility for ensuring the documentation attached to the journal supports the transaction.

If the documentation does not provide sufficient information to support the transaction (ie an audit trail), the reviewer should reject the journal, explaining the reason to the preparer to rectify.

If the journal and supporting documentation are satisfactory, the reviewer should approve the journal in Unit4. This will then trigger the posting of the journal in Unit4.

This ensures that all journals subject to journal workflow in Unit4, where the sum of the debits and the sum of the credits exceed £5,000, are reviewed by someone independent from the preparer and have supporting documentation attached. One person can no-longer raise and post a journal in Unit4.