SA Health

Policy

Financial Information

Version 1.0
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PDS Reference No: D0498

Government
of South Australia

SA Health

1. Name of Policy

Financial Information

2. Policy statement

This policy will ensure all financial information is bona fide and accurately represented in the financial accounting system, known as Oracle Corporate Systems (Oracle), to enable sound decision making for SA Health resources.

3. Applicability

This policy applies to all employees and contracted staff of SA Health; that is all employees and contracted staff of the Department for Health and Wellbeing, Local Health Networks (including state-wide services aligned with those Networks) and SA Ambulance Service.

Specifically, this policy applies to all finance employees and contracted staff as detailed in Appendix 1 - Financial Information Policy Mandatory Instruction.

4. Policy principles

SA Health's financial information is underpinned by the following principles:

> We will ensure a compliant delivery of standardised financial services.

> We will use accrual accounting and meet Treasurer's Instructions (TIs), TI *Accounting Policy Statements*, *Australian Accounting Standards Board* (AASB) and any other regulatory requirements.

> We will ensure all transactions are bone fide, correctly initiated, validated, appropriately approved, and posted into Oracle.

> We will ensure each transaction has occurred, is complete, and accurately recorded in the accounting system, to ensure financial reports can be appropriately presented, incorporating management assertions, for decision making.

5. Policy requirements

All employees and contractors must adhere to the following policy requirements:

5.1 Oracle Corporate System

> Only current approved users have access to inquire (eg SAH GL Inquiry) and/or process financial data (eg SAH GL User) into Oracle.

> Segregation of duties must be maintained when assigning staff with Oracle user access.

> SA Health must adhere to AASB 101 *Presentation of Financial Statements,* which requires adoption of accrual accounting.

5.2 Oracle Journals - business and inter-business

> All journals must be bona fide and correctly coded.

> All journals must be appropriately approved with supporting documentation attached.

> Functional Groups must maintain records that enable tracking of journal preparation and posting.

> Business journals must only be used for transactions within a single Oracle Chart of Account (CoA) Business segment.

> Inter-business journals must only represent two businesses on each journal.

5.3 Reconciliations

> In accordance with TI 2 *Financial Management*, reconciliations between the General Ledger (GL) and relevant subsidiary ledgers must be performed on a regular and timely basis for:

  o income management (eg debtors ledger/accounts receivable ledger)

  o expenditure management (eg creditors ledger/accounts payable ledger), and

  o assets and liability management (eg asset register).

5.4 Oracle Chart of Accounts

> The CoA must be maintained, with all changes appropriately approved.

> A register of all CoA requests must be maintained.

6. Mandatory related documents

The following documents must be complied with under this Policy, to the extent that they are relevant:

> *AASB 101 Presentation of Financial Statements*

> *AASB Framework for the Preparation and Presentation of Financial Statements*

> *Public Finance and Audit Act 1987*

> *Treasurer's Instruction 2 Financial Management*

> *Treasurer's Instruction 28 Financial Management Compliance Program*

> *System-wide Risk Management Policy*

7. Supporting information

> *Sector and Intercompany Code Guideline*

> *Financial Information Procedure*

8. Definitions

> **Accrual basis** means the accounting basis whereby the assets, liabilities, equity, revenues, and expenses are recognised in the accounting period to which they related, regardless of when the cash is received or paid.

> **Business** means the Department for Health and Wellbeing, SA Ambulance Service, or the Local Health Networks, reflected as a 'Business' segment in the Oracle CoA.

> **Business journal** means a journal within a single business segment (eg 60 - Women's and Children's Health Network) created directly in Oracle, or via an ADI journal template. Business journals include allocating costs between hospital sites and/or departments within the same business entity. (eg Central Adelaide Local Health Network transferring costs between The Queen Elizabeth Hospital and the Royal Adelaide Hospital).

> **Chart of accounts** means the configuration management of the general ledger's most significant foundation components. This account structure is characterised and defined by eight explicitly sequenced account segments, whereby each segment has a dedicated segment classification.

Oracle CoA							
1 **Business** xx	**2** **Unit** xxx	**3** **Service** xxx	**4** **Cost Centre** xxxx	**5** **Account** xxxxx	**6** **Sector** xx	**7** **Inter-Company** xx	**8** **Future** xxxxx
Identifies the Region.	Physical location where services are delivered.	Type of service delivered (Example; Dental, GP Plus).	Used to assign management responsibility at the operational level for services delivered.	Natural Account, describes what the transaction is for.	Tracks who SA Health transacts with.	Replicates the 'Business' segment to enable Intra-SA Health eliminations	Reserved for future business use.
Responsibility Index (RI)				Account Index (AI)			

> **Functional group** means a group of journal users whose work responsibilities align to each other, creating a group of journal preparers and journal approvers. Each business unit will process their business journals via their Functional Group. Each Functional Group has a lead contact.

> **Inter-business journal** means a general ledger journal between two businesses in the Oracle GL and will create, in the background of Oracle, an intercompany loan between the business entities involved. (eg Department for Health and Wellbeing and Southern Adelaide Local Health Network).

> **Specialised journal** means a type of journal used for Fixed Assets, Project Accounting, Taxation, Financial Accounting adjustment period and Cash natural accounts. They have pre-defined business 'validation' rules and are restricted to pre-defined users.

> **Statewide services** includes Statewide Clinical Support Services, Prison Health, SA Dental Service, BreastScreen SA and any other state-wide services that fall under the governance of the Local Health Networks.

>

9. Compliance

This policy is binding on those to whom it applies or relates. Implementation at a local level may be subject to audit/assessment. The Domain Custodian must work towards the establishment of systems which demonstrate compliance with this policy, in accordance with the requirements of the *System-wide Integrated Compliance Policy*.

Any instance of non-compliance with this policy should be reported to the Domain Custodian for the Financial Management Policy Domain and the Domain Custodian for the Risk, Compliance and Audit Policy Domain.

10. Document ownership

Policy owner: Chief Finance Officer as Domain Custodian for the Financial Management Policy Domain

Title: Financial Information Policy

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11. Document history

Version	Date approved	Approved by	Amendment notes
V1.0		Deputy Chief Executive, Corporate Systems Support Services	Amalgamation of existing policies: Accruals Policy Asset Management (Finance) Policy Balance Sheet Reconciliation Policy Oracle Chart of Account Maintenance Policy Oracle Journal_Business Journal Policy Oracle Journal_Inter-business Journal Policy Payroll Transaction Policy.

12. Appendices

1. *Appendix 1: Financial Information Policy Mandatory Instruction*

Appendix 1: Financial Information Policy Mandatory Instruction

The following Instruction must be complied with to meet the requirements of the Financial Information Policy.

Policy phase	Compliance requirements
Oracle Corporate Systems	Line managers responsibilities: > Ensure users have the correct and appropriate access in Oracle to perform their assigned duties. > Oracle user access, variations and deletions must be managed in a timely manner ensuring strict internal controls maintain the integrity of SA Health's financial data. > Maintain segregation of duties when assigning staff/or varying existing Oracle user access. > Oracle user access audits must be undertaken quarterly (facilitated by DHSA's Process Owners) to ensure only current approved users have access to inquire and/or process financial data onto Oracle. Financial Accounting, DTF responsibilities (under the respective *General Accounting Service Design and Operating Level Responsibilities* with DTF): > Oracle general ledger, and its subsidiary ledgers, must be reconciled regularly, with reconciling items cleared on a timely basis. > Appropriate internal controls are in place for re-opening the general ledger. > All material monthly and annual accruals must be processed. The Goods and Services Tax (GST) component must be accrued if a valid tax invoice is received or issued.

Oracle Journals - Business and Inter-business	Journal preparers and approvers responsibilities:
	
	> All journals must:
	   o be bona fide (valid and correct)
	   o balance, ie. the debit amount must equal the credit amount (for inter-business journals, the debit amount for one business must equal the credit amount for another business)
	   o reflect the correct Oracle RI and natural accounts
	   o have the sector code populated assign the relevant Functional Group
	   o apply the correct accounting treatments, in accordance with AASBs and the TI Accounting Policy Statements
	   o have evidence of a journal preparer (ie. initials or HAD ID must be added to the batch/journal name)
	   o be appropriately approved in line with the delegate's Financial Journal Authority Instrument, and in a timely manner
	   o not be prepared and approved by the same person
	   o be approved by someone within the appropriate Functional Group
	   o have a relevant journal description in the journal header
	   o have adequate supporting documentation attached, and
	   o be processed within the cut-off times, as detailed in the end-of-month (EOM) reporting timetable. Where the journal has not met the cut-off-time, it must be removed from the Oracle accounting period.
	
	> Journal approvers must ensure the above journal preparer requirements have been met and certify the journal.

Policy phase	Compliance requirements

	> Specialised journals require additional checks before the journal can be posted to the GL. The specialised journal must:
	
	   o be adequately approved
	
	   o must have an integrity check to ensure it meets all the journal validation rules for posting to the GL
	
	   o meet any pertinent requirements specific to their specialised area, and
	
	   o be returned to the journal preparer, if the journal does not meet the requirements of the specialised area.
	
	> Inter-business journal preparers are responsible for the journal they have created to seek recovery of funds (ie. receiving revenue) from another SA Health business until such time that the journal is posted to the GL.
	
	> Business journals are the responsibility of the journal preparer.
	
	> There must not be any unposted journals in a closed accounting period. Unposted journals must be actioned prior to the end of the accounting period:
	
	   o Any journals that have been identified as incorrect must be deleted from Oracle immediately by the respective journal preparer.
	
	   o Where a journal has missed the EOM cut-off the journal preparer must move the journal to the next open accounting period.
	
	   o At EOM any remaining redundant journals are deleted.
	
	> A journal register must be maintained to monitor duplications and corrections. This is the responsibility of the Functional Group initiating the journal.
	
	> The journal register must be regularly reviewed and independently signed, as evidence of review.

Reconciliations	Financial Accounting, DTF responsibilities (under the respective *General Accounting Service Design and Operating Level Responsibilities* with DTF): > All reconciliations must be performed on a regular and timely basis. > All reconciliations must be reviewed by an independent officer. > Reconciling items must be explained and actioned promptly. > All reconciliations must have sufficient and relevant source documentation to independently verify each account balance.

Oracle Chart of Accounts	Corporate Finance Services, DHW responsibilities:
	
	> Must be the custodian of the Oracle Chart of Accounts and ensure it is current.
	
	> A register of Chart of Account requests must be maintained.
	
	Chart of Account changes must be appropriately authorised. Each segment of the RI is authorised by the following:
	
	> Business/Inter-Company/Future:
	
	   o Director, Corporate Finance Services
	
	> Unit/Cost Centre/Natural Account/Sector :
	
	   o General Manager, Performance Reporting and Monitoring, or
	
	   o General Manager, Portfolio Budget and Systems Support, or
	
	   o Director, Corporate Finance Services.