

Ledger Review Requirements

(adapted from http://financial.ucsc.edu/Pages/Ledger_ReviewGuide.aspx#documentation)

Policy Reference: <http://www.ucop.edu/ucophome/policies/acctman/a-000-4.pdf>

In combination with other controls in a financial transaction process, monthly review of the general ledger is meant to provide a reasonable level of assurance that transactions comply with the following seven transaction control standards:

- **Appropriate** – directly related to achieving the mission of the University
- **Valid** – allowed by policy, law, contractual agreement, and/or professional standards
- **Reasonable** – fair amount paid for a good or service
- **Funded** – sufficient funding exists to cover the transaction
- **Accurately recorded** – Amount is consistent with value received, provided, or adjusted for; and is free from accounting coding or arithmetic error.
- **Supportable** - Amount and good or service received or provided, or justification for adjustment is consistent with supporting documentation, standard, situation, or practice
- **Timely recorded** – transaction date is accurate

Different divisions or departments may choose to depend more or less on ledger transaction review as a key control depending on the relative strength of other process controls in place. Refer to the Seven Financial Control Standards for more information about the seven standards.

InfoView System: The ledger reviewer's user identification and review date recorded by the system when a ledger report is accessed may constitute adequate documentation provided that a formal written agreement is obtained. In the agreement, the reviewer attests that the presence of his or her user identification and date stamp confirms the following.

- The review was conducted in a manner consistent with the approach adopted by the department.
- Ledger transactions were reviewed for compliance with the seven transaction control standards.
- Any questionable transactions identified have been or are in the process of being investigated and corrected as necessary.
- Ledger transactions, with the exception of those identified as questionable, comply with the seven transaction control standards.