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1. INTRODUCTION

1.1 The purpose of Financial Regulations

St Helena Government spends large sums of money and has a duty to account clearly to donors and the public for the use of public funds.

These Financial Regulations are a part of the overall control framework within which St Helena Government operates. Rather than a barrier to action they should be viewed as providing the framework within which you can act, setting out best practice throughout the Government and ensuring a high quality of financial information enabling better decision-making and in turn, improved service delivery and greater client satisfaction. As such they form part of the general administrative arrangements of the St Helena Government.

1.2 The status of Financial Regulations

These Financial Regulations provide the framework for managing the Governments financial affairs. They apply to every officer of the government and anyone acting on its behalf.

The financial control framework can be seen as a hierarchy as set out below:

Constitution of St Helena	Approved by UK Privy Council
Public Finance Ordinance	Approved by Legislative Council
Financial Regulations	Approved by the Governor
Financial Procedures	Approved by the Financial Secretary
Schemes of Delegation	Approved by Accounting Officers

The Financial Secretary is responsible for maintaining a continuous review of the Financial Regulations and for the submission of any additions or changes necessary to the Governor for approval. The Financial Secretary is also responsible for reporting to the Governor, in writing, any apparent defect that comes to his/her notice concerning any financial related matter.

Each Accounting Officer is responsible for the observance of financial regulations within his or her service area and the training of staff to enable them to comply with these Regulations. Each Accounting Officer is responsible for ensuring that financial controls in their areas of responsibility are operating effectively. Internal Audit is responsible for monitoring the financial control framework. The Audit Committee oversees the performance of the St Helena Government internal audit function.

The Financial Regulations have been written with the intention of delegating responsibility to the Accounting Officer or other responsible officers, wherever appropriate. In accordance with the Public Finance Ordinance Part III, these regulations set out the framework of responsibilities within which that delegation takes place. The responsibility for the creation and maintenance of the framework rests with the Financial Secretary.

1.3 Further assistance and feedback

Finance staff (Financial Secretary, Director of Finance, Head of Budget Management and Head of Accounting Services) is ready and willing to provide assistance in all areas relating to financial management and financial control. In particular, you must seek advice if you are intending to create a new financial procedure, or amend an existing one.

The Financial Secretary welcomes feedback on the operation of Financial Regulations and Financial Procedures to ensure they remain relevant and effective. The Financial Secretary or Director of Finance should be contacted if you have comments on the application or operation of particular regulations or procedure.

2. DEFINITIONS

“Accounting Officer” means the officer designated by title in the Annual Estimates or on a warrant as the Accounting Officer for any Head or item of expenditure or as the responsible officer for the collection of any Head or Subhead of revenue.

“Accrual” means an amount owed but not yet invoiced.

“Appropriation” means an appropriation of public money by an Appropriation Ordinance or by a Supplementary Ordinance.

“Appropriation Ordinance” means any Ordinance to apply sums out of either the Consolidated Fund for any Financial Year, and includes a Supplementary Appropriation Ordinance.

“Chief Auditor” means the person appointed under section 110 of the Constitution and includes any person who may be acting in such office.

“Code of Management” mean the Regulations made by the Governor under section 96 of the Constitution relating to public officers and the transaction of public business.

“Consolidated Fund” means the funds established under section 98 of the Constitution.

“Estimates” means the estimates including supplementary estimates prepared under section 100 and 105 of the Constitution.

“Financial Regulations” mean the Regulations made by the Financial Secretary, with the approval of the Governor, for regulating the financial affairs of the St Helena Government.

“Financial Secretary” means the person appointed as Financial Secretary of the St Helena Government and includes any person who may from time to time be acting in such post.

“Financial Year” means the period from the first day of April in any year to the thirty first day of March in the following year.

“Government” means the Government of St Helena.

“Liability” means an amount owing which can be determined with substantial accuracy.

“Prepayment” means an amount paid in advance.

“Public Moneys” means all money received by Government and includes:

- a) All public revenues of St Helena;
- b) Any trust money, Special Fund money or other money held, whether temporarily or otherwise, by any public officer in his official capacity either alone or jointly with any other person;
- c) Grant-in-Aid and Special Fund Receipts, from whatever source;
- d) Any money borrowed or otherwise raised by Government.

“Public Officer” means any person in the employment of the Government of St Helena.

“Public Stores” means movable property that is the property of; or in the possession of; or under the control of Government.

“Special Funds” means any Fund established in accordance with section 4.1.

“Service Area” means the part of the Public Service where an Accounting Officer is responsible for, which may mean a Directorate or certain cases sections that do not report through a director.

“Warrant” means an instrument for the authorisation to incur expenditure against public funds.

3. FINANCIAL MANAGEMENT RESPONSIBILITIES

3.1 Responsibilities of the Financial Secretary

The Financial Secretary shall be responsible for the overall management and control of Government's finances and shall:

- a) ensure that proper and adequate systems exist for bringing to account all transactions of Government, including all revenues, expenditures and transfers of stores and assets;
- b) ensure that all payments comply with the provisions of The Public Finance Ordinance (PFO) and these Regulations (FR);
- c) ensure that all Government revenues are collected promptly and effectively;
- d) ensure so far as is practicable, that adequate provision is made for the collection, receipt, safe custody, issue and payment of public money, assets, stores, stamps, investments, securities and all other assets and property belonging to or entrusted to Government;
- e) issue, subject to the approval of the Governor, Financial Regulations consistent with the Public Finance Ordinance and generally accepted accounting practice, for the effective internal Financial Management of Government's affairs;
- f) submit annual statement of accounts in accordance with section 3.4;
- g) ensure that adequate control is maintained over the incurring of liabilities against Government
- h) report to the Governor, in writing, any apparent defect which comes to his/her notice concerning any financial related matter;

None of the responsibilities contained above shall indemnify or limit the responsibilities of Accounting Officers or other Public Officers from their responsibilities under section 3.2 and 3.3.

3.2 Responsibilities of Accounting Officers

The Annual Estimates shall nominate an Accounting Officer for each Head of Expenditure for each financial year

The Accounting Officer nominated shall be responsible for:

- a) ensuring proper control over expenditures and ensuring that outputs and deliverables are achieved in the most economic and effective manner, also ensuring that expenditures do not exceed the appropriations made in accordance with section 101 or 105 of the Constitution;
- b) ensuring all revenues are collected promptly and effectively;
- c) obeying and ensuring that all employees in the Service Area obey, all regulations made and all directions or instructions that may from time to time be issued by the Financial Secretary in respect of all financial matters;
- d) ensure proper management of assets to ensure their optimal use
- e) Manage liabilities, ensuring that no liability is incurred, where the provision in the appropriation is insufficient.
- f) submitting the annual Service Area estimates, as required and in a format determined by the Financial Secretary;

- g) submitting returns of achieved outputs in accordance with the requirements of the Financial Secretary ;
- h) providing any other financial information, as the Financial Secretary may require on a regular or *ad-hoc* basis;
- i) notifying the Financial Secretary as soon as possible, should it become apparent that revenues are likely to be in short fall or that an overspending will incur and that the proposed Service Area cannot deliver within the financial appropriations;
- j) Notifying the Financial Secretary immediately of any deficiency in any financial system, or of any loss of public money, assets, stores, stamps or any other property of Government.

3.3 Pecuniary responsibilities of Public Officers

- a) All public officers shall be personally responsible for the due performance of their financial duties and for the proper collection and custody of all public money, assets, stores, stamps, investments, securities, negotiable instruments, and any other property belonging to Government or entrusted to Government, received by or entrusted to them.
- b) All public officers shall be responsible for ensuring that any payment they cause to be made has sufficient appropriated funds and is properly authorised and vouched in accordance with these Financial Regulations and any Financial Procedures.
- c) All public officers shall obey these Financial Regulations and any other instruction or order issued by the Governor or the Financial Secretary relating to any financial matter.

3.4 Responsibilities for annual statement of accounts

- a) Each statement of accounts prepared in accordance with section 109(1)(a) of the Constitution shall be in a format as the Financial Secretary may from time to time determine, but shall, subject to subsection b), be prepared in a manner consistent with the International Public Sector Accounting Standards issued (and as from time to time amended) by the International Federation of Accountants, and shall contain-
 - (1) statements showing each Head of Expenditure paid out of and each category of Revenue accruing to the Consolidated Fund for the financial year;
 - (2) operating statements showing the expenditures and revenues of Special Fund activities for the financial year;
 - (3) a schedule detailing the operations of the Trust Funds held and managed by Government.
- b) If it appears to the Financial Secretary that it is inappropriate, in the circumstances of St Helena, to follow the International Public Sector Accounting Standards in respect of any aspect of the statement of accounts, he/she may proceed in a manner which he/she considers is appropriate, but shall record in the relevant statement the departure from the said standards and the reason therefore.

4. PUBLIC FUNDS

4.1 The Funds

The Public Funds of St Helena are the Consolidated Fund and such Special funds as shall from time to time be established under the Public Finance Ordinance or by under any other ordinance.

4.2 Purpose of the Funds

- a) The purpose of the Consolidated Fund is to provide funding for the day to day operations of Government;
- b) The purpose of the Special Funds is set out in the order establishing them.

4.3 Regulations for Managing Funds

- a) The Financial Secretary may, subject to the approval of the Governor, issue Financial Regulations relating to the proper and effective management of public money. These regulations shall not be inconsistent with the Public Finance Ordinance, but shall be based on generally accepted accounting practice;
- b) The purpose of each Special Fund shall be prescribed by the Order establishing such Fund, and such Order may contain provisions as to the management of the fund, including the procedures for authorizing payments from the Fund. Subject to any such provisions, Special Funds shall be managed in accordance with these Financial Regulations.
- c) An order establishing each Special Fund may be amended from time to time by the Governor by a further Order.
- d) The Governor may, by warrant under his hand, order that any money in a Special Fund which is surplus to that required to meet the liabilities of such fund, shall be transferred to the Consolidated Fund.

4.4 Winding up of Special Funds

The Governor may order that any Special Fund shall be closed and wound up; and thereupon after all liabilities of such fund have been paid, the fund shall be closed accordingly and the balance standing to the credit of the fund shall be paid into and become part of the Consolidated Fund.

4.5 Money Paid into and forming the Funds

- a) All revenues or other money raised, borrowed, received or accrued by or for the purposes of the Government (not being revenues or other money payable into another fund in accordance with provisions in the Public Finance Ordinance or any other Ordinance) shall be paid into and form the Consolidated Fund;
- b) Any money received in accordance with section 17.1, neither being money held on deposit or on trust, shall not be paid into nor form part of the Consolidated Fund.
- c) Money paid in the Special Funds shall consist of:
 - (1) such money received on terms or conditions that such money may only be used for purposes specified by the donor thereof, but shall not include Grant in Aid money which form part of the consolidated fund:

- (2) such money for the day to day operations of the trading activities:
- (3) such money as may be raised by way of loan.
- d) There shall be paid into a Special Fund:
 - (1) all revenue exclusively relating to or derived from the subject matter of such Fund; and
 - (2) any money appropriated for that purpose by an Appropriation Ordinance.

4.6 Investment of Public Funds

- a) The Financial Secretary may authorise the investment of money standing to the credit of Public Funds:
 - (1) through the Crown Agents or
 - (2) with a bank; or
 - (3) in any investment authorised by law for the investment of trust funds
- b) Investments made under subsection a) shall form part of that Fund from which the investment was made;
- c) Any interest or dividend received or accrued from an investment under subsection a) shall form part of the Consolidated Fund.

4.7 Advances

- a) For the purpose of section 112 of the Constitution, the Financial Secretary may, subject to subsection b) make disbursements of money forming part of the Consolidated Fund or of other public money, for the purpose of making advances-
 - (1) on behalf of and recoverable from, other Governments, Administrations and Statutory Bodies or
 - (2) to public officers, for such purposes and on such terms and conditions as may be prescribed in the Code of Management or in Financial Regulations; or
 - (3) to or on behalf of public bodies, institutions or individuals where such advances are, in opinion of the Financial Secretary, in the Public interest; or
 - (4) for such other purposes and on such terms and conditions as the Governor, with the approval of Legislative Council, may determine,
- b) The total of the sums issued and disbursed for the purposes of making advances under subsection a) shall not exceed in aggregate at any time, after deducting repayments, an amount of one million Pounds or such other sum as the Financial Secretary, with the approval of the Governor, may from time to time determine.
- c) Such advances shall be exempt from the provisions of section 112(5) and (6) of the constitution.

4.8 Working Capital

Current and capital revenue and current and capital expenditure shall be recognised on an accruals basis and accordingly working capital employed in the normal operating cycle of the activities related to any Public Fund shall form part of that Fund.

4.9 Payments/Withdrawals from the Consolidated Fund

- a) No money shall be withdrawn from this fund except upon the authority in accordance with an Appropriation Ordinance;
- b) On enactment of the Appropriation Ordinance, the Financial Secretary will inform Accounting Officers of the amounts appropriated for use in their Service Area.
- c) The following payments may be made from the Consolidated Fund with no further appropriation other than the Public Finance Ordinance:
 - (1) repayments of amounts paid to Government found to have been made in error;
 - (2) repayments of overpayments made to Government found to have been made in error;
 - (3) repayment of deposits, pursuant to section 15.2;
 - (4) a refund, rebate or drawback made in accordance with an Ordinance;
 - (5) pension and any other statutory payments.

4.10 Public debt charges

- a) All debt charges for which the Government of St Helena is liable shall be a charge on the Consolidated Fund.
- b) For the purposes of this section, debt charges include:
 - (1) interest;
 - (2) the repayment or amortisation of debt;
 - (3) costs and charges and expenses incidental to the management of the debt

4.11 Guarantees

- a) The Financial Secretary may issue guarantees or indemnities for purposes outlined in the Code of Management or these Financial Regulations, provided that such guarantees or indemnities do not exceed £1 000 000 in any one case or £5 000 000 in aggregate at any time.
- b) The terms and conditions of the guarantees or indemnity shall be laid before Legislative Council and shall not come into operations unless they have been approved by a resolution of the Council.

5. EXPENDITURE AUTHORITIES

5.1 Annual Estimates

- a) The Financial Secretary shall cause to be prepared and laid before the Legislative Council, before the beginning of each financial year Estimates of the revenues and expenditure of Government for that year.
- b) Subject to subsection (a), if the Legislative Council is dissolved less than three months before the commencement of any financial year, the Estimates for that year shall be laid before the Council as soon as is practicable after the commencement of that year.

5.2 The format of the Estimates

The Estimates shall be in such form as the Financial Secretary may from time to time determine, but shall include:

- a) detailed statements by a Service Area, of estimated revenues accruing to and estimated expenditures chargeable against the Consolidated Fund for the coming financial year;
- b) a summarised statement of estimated project expenditures chargeable against any Special Funds for the coming financial year;
- c) an Accounting Officer responsible for each Head of Expenditure.
- d) List of deliverables to be delivered by the Directorate.

5.3 Appropriation Bill

The Heads of Expenditure contained in the Estimates (other than expenditure otherwise authorised by any Ordinance) shall be included in a Bill, to be known as an Appropriation Bill, which shall be introduced into Legislative Council to provide for and to authorise the issue from the funds of the sums necessary to meet the expenditure, and to appropriate those sums to the purposes specified in the Bill.

5.4 Authorisation of expenditure in advance of Appropriation

- a) If the Appropriation Ordinance in respect of any financial year has not come into operation by the beginning of that year, the Legislative Council may empower the Financial Secretary by means of a resolution, authorising the withdrawal of money from the Consolidated Fund and any other fund established by or under an Ordinance for a specific purpose in order to meet expenditure necessary to carry on the services or projects of the Government until
 - (1) the expiration of four months from the beginning of that financial year.
 - (2) The coming into force of the Appropriation Ordinance for that financial year.Whichever is the earlier.
- b) Any amounts authorised to be withdrawn under subsection (a) shall be set off against the amounts provided in the Appropriation Ordinance in respect of that expenditure

- c) Any amounts authorised to be withdrawn from the Consolidated Fund under subsection (a) shall subject to subsection (d) be restricted to one third of the aggregate of the sums provided for in the Appropriation Ordinance and any Supplementary Ordinance of the previous financial year.
- d) By reason of the dissolution of the Legislative Council or because of circumstances certified by the Governor, acting with the approval of a Secretary of State, to be exceptional and beyond his or her control, no Appropriation Ordinance for a financial year has come into force before the expiration of four months from the beginning of that financial year
 - (1) The period of four months from the beginning of that financial year referred to in subsection (a) shall be extended until one month after the Council meets after the expiry of that period
 - (2) The fraction of one third referred to in subsection (c) shall be increased to the proportion of the financial year by the extended period referred to in paragraph

5.5 Special Warrant

- a) The Governor, acting on the recommendation of the Financial Secretary and after consulting the Executive Council, if satisfied that there is an urgent and unforeseen need for expenditure for which no other provisions exists, may issue a Special Warrant authorising the Financial Secretary to make payments to meet the expenditure out of Consolidated Fund, up to the amount specified in the warrant, and such warrant shall constitute an appropriation of that amount.
- b) A notification of every Special Warrant shall be laid before the Legislative Council by the Financial Secretary on the first sitting day not less than 10 days after the date of its issue.

5.6 Supplementary Estimates

If in the course of any financial year it is found that the amount appropriated for any purpose is insufficient or that a need has arisen for expenditure for a purpose for which no amount has been appropriated, a Supplementary Estimate showing the sums required shall be laid before the Legislative Council by the Financial Secretary.

5.7 Supplementary Appropriation Bill

Where in respect of any financial year any Supplementary Estimates have been laid before Legislative Council in accordance with 5.6 and approved by resolution of that Council, a Supplementary Appropriation Bill shall be introduced into the Legislative Council to provide for the issue from the Consolidated Fund of the sums necessary to meet that expenditure and the appropriation of those sums for the purpose specified in the Bill.

5.8 Virement Warrants

- a) If, on an application from an Accounting Officer, the Financial Secretary is of the opinion that the exigencies of the public service render it necessary or expedient to:
 - a) increase the sum assigned to any purpose within a Head of Expenditure shown in the Estimates for any financial year; or

b) make provision for a new purpose within the ambit of the Head of Expenditure for any financial year; and savings can be foreseen on any other purpose within the same Head, he/she may issue a Virement Warrant transferring the necessary amount from the appropriation to the purpose in which savings can be foreseen to the purpose for which additional or new provision is necessary or expedient, provided that the total sum appropriated to any Head by an Appropriation Ordinance in not thereby exceeded.

b) In subsection a), ‘purpose’ means ‘output for appropriation’ or other sub-division of a Head in the Annual Estimates, but does not included a sub-division of a sub-division.

5.9 Withdrawal Warrant

- a) The Governor, acting on the recommendation of the Financial Secretary and after consulting the Executive Council, if satisfied that financial exigencies so require, may issue a Withdrawal Warrant authorising the limitation or suspension of appropriated expenditure, to the extent specified in the warrant.
- b) Notification of every Withdrawal Warrant shall be laid before the Legislative Council by the Financial Secretary on the first sitting day not less than 10 days after the date of its issue.

5.10 Lapse of warrants and appropriations

The authority conveyed by the issue of any Warrant or the enactment of an Appropriation Ordinance shall lapse on the last day of the Financial Year to which it relates, unless otherwise provided by Ordinance.

6. FINANCIAL MANAGEMENT

6.1 Accounting for Performance

Accounting Officers are not only accountable for the resources their Service Area consume, but are also accountable for the outputs and deliverables of their Service Area. It is their responsibility to provide information regarding physical performance, providing explanation where necessary of any variance from the planned deliverables contained in the Estimates.

6.2 Centralised Accounting

The main accounts for Government will be operated by the Finance Directorate. However, it is the responsibility of each Accounting Officer to cause any necessary reconciliation to be carried out, and all necessary corrective action to be taken, to ensure the correctness of the accounts of their Service Area.

Whilst the Finance Directorate shall endeavour to provide information to the Service Area, it is the responsibility of the Accounting Officers to ensure they have all the information they require, for properly managing the financial affairs of their Service Area.

6.3 Managing Revenues

- a) Accounting Officers are responsible for ensuring the prompt assessment, collection and bringing to account of all revenues in their Service Area. Within the ambit of prompt collection, they must ensure that debts owed to government are not allowed to extend beyond agreed limits and timeframes as set out in section 7.
- b) All public officers shall be similarly responsible for the prompt assessment, collection and bringing to account for all revenues under their control.
- c) It is the responsibility of all public officers to notify the Financial Secretary immediately, through their Accounting Officers, if it appears that revenue subheads under their control seem likely to be in short fall for the year, so that Government may reassess its spending priorities.

7. DEBTORS MANAGEMENT

It is the Government's overall aim to provide effective and efficient services. The means of recouping the cost of delivering some of these services are met by fees and charges that should be set annually in line with the Government's Charging Policy. Accounts Receivable Section will be responsible for ensuring the prompt collection of any outstanding revenue and the Accounting Officers are responsible for bringing to account all revenues in their Department.

The following framework is set to ensure that all income due to the Government is collected as quickly as possible and for the recovery of outstanding debts.

- a) Where possible Accounting Officers should arrange for the collection at the point of delivery to be the preferred method of collection, especially if the amount is small.
- b) Accounting Officers will raise invoices directly onto the SHG Accounting system either on the day of the service or when the goods are provided, or on the following working day.
- c) Statements will be posted at the month end reflecting the total invoices for that particular month.
- d) Payment terms for these invoices will be within 30 days thereafter.
- e) If the account was not settled within 30 days, letters will be sent with the next statement run. It will reflect the amount that is now in 30 days in arrears.
- f) This letter will inform the client that they have 14 days to clear all arrears otherwise the amount due will be passed onto the courts for collection.
- g) If the amount is not cleared within that 14 day period, then a letter will be sent to inform that the outstanding amount has been passed to the courts for collection.
- h) If the Debtor is in the employment of Government, then the amount that remains outstanding after the initial 30 days may be deducted from the next salary payment to them.
- i) If the account is not settled within 74 days, the outstanding amount will be referred to the Attorney General's Chambers to pursue a claim to recover these charges through the Court.

8. ORDERS FOR WORK, GOODS AND SERVICES

Orders create contracts and commit the Government to expenditure. It is therefore vital that the ordering process fully protects the Government's interests and that the ability to sign or authorise purchase orders is strictly controlled. This applies to electronically transmitted orders as well as those in paper form.

- a) Each Accounting Officer shall be responsible for all purchase orders issued from his/her Service Area for goods, work to be done or services rendered.
- b) A list of Public Officers (individual names) together with specimen signatures authorised to sign purchase orders on behalf of the Government shall be prepared annually and personally certified by each Accounting Officer, who shall also authorise any amendments to the list. The list will be retained in the individual service area for audit purposes.
- c) Each Accounting Officer shall control the use of official purchase order books and requisition books within his/her Service Area. The form and design of order books shall be agreed with the Financial Secretary.
- d) Every paper order shall be signed by an authorised employee in his/her own name. Electronically transmitted orders shall be authorised by an employee approved for the purpose by the Accounting Officer concerned in such a way that the employee can be uniquely identified (e.g. signed printed transmitted order).
- e) Orders for work, goods and services shall conform to the Government's Contract Regulations and any other arrangements with respect to central purchasing and the standardisation of supplies and materials.
- f) All paper orders shall be on official purchase order forms. Where it is necessary to place a telephone; internet or verbal orders these must be confirmed immediately on an official order and clearly endorsed as confirmatory. Orders are not required for small purchases (under £10) properly paid out of petty cash accounts.
- g) All orders, before being authorised will be evidenced by the person placing the order that sufficient funds are available in the appropriate budget sub-head.

9. PAYMENTS – INVOICES AND ACCOUNTS FOR PAYMENT

These regulations seek to provide a consistent framework throughout the Service Areas, for the payment of invoices for goods and services received and the certification of invoices. Financial procedures must be established whenever possible to ensure separation of duties. Therefore, different members of staff should undertake different parts of a sequence of operations in order to ensure that no one individual authorises an entire series of transactions (orders and payments).

9.1 Invoices

- a) All original invoices, receipts and any other supporting documents relevant to the transaction need to be supplied to the Accounts Payable Section within the same day of receipt or the next working day.
- b) The Accounting Officer need to ensure the following details are on the Invoice Voucher:
 - (1) Name of Supplier and bank account number;
 - (2) The charge head and sub-head;
 - (3) Brief description of when payment needs to be made;
 - (4) Reference to the numbers and dates of deposit vouchers (in cases of refund);
 - (5) Reference to special authorities (in cases of advances or any unusual payments); and
 - (6) The appropriate authority for expenditure
- c) All payments made from Public Funds must be supported with an order, invoice and authorised Invoice Voucher.

9.2 Authorization of Invoice Vouchers

- a) Each Accounting Officer shall make arrangements for the examination, verification and certification of invoices.
- b) The originals of the invoice vouchers must be signed by the Accounting Officer or by an Officer authorised by the Accounting Officer to sign on his/her behalf. Signatures must be in ink, and facsimile name stamps and signature stamps may not be used.
- c) Each Accounting Officer shall arrange annually, to be forwarded to the Director of Finance Officer the names and specimen signatures of those employees in their Service Area recommended to be authorised to certify invoices. The monetary limit of delegated authority must also be stated. The invoices vouchers which are sent to the Accounts Payable Section for central processing will be validated against these records.
- d) Any Officer who signs the invoice voucher thereby certifies the accuracy of the invoice(s). The officer will be satisfied that:
 - (1) the goods have been received, examined and approved as to quality and quantity, or services rendered or work done satisfactorily;
 - (2) Conformity with the order or contract;
 - (3) Any specific authorisation e.g. committee minutes;
 - (4) the computations and castings are arithmetically correct;

- (5) the person named on the voucher is entitled to receive payment;
 - (6) the expenditure is covered by an approved estimate;
 - (7) where appropriate, stores are properly taken on charge;
 - (8) allocation of the expenditure.
- e) The employee certifying each of the foregoing matters shall sign in his/her own name the appropriate section of the invoice voucher form and the Accounting Officer, or, his/her authorised representative, shall then certify the account by signing his/her own name in ink.
- f) The employee who certified the invoice as correct shall not be the person who certified the receipt of goods or the completion of the work. Wherever possible the three duties attaching to each transaction of ordering the item, certifying its receipt and certifying the invoice as correct for payment shall be performed by different employees. The essential requirement is that no one person should control the whole process.
- g) Where the invoice deals with an article to be taken into store, or to be recorded in an inventory or the asset register, a reference to the appropriate entry in the stores record or the inventory must unless otherwise agreed in writing by the Director of Finance be entered on the invoice before it is certified as correct.
- h) Where an invoice is for part of an order the order number shall be entered on the invoice and the copy of the relevant order shall accompany the final invoice unless otherwise agreed in writing with the Director of Finance.
- i) Where an Accounting Officer wishes to send an invoice voucher to Accounts Payable Section on a "copy invoice" he/she must ensure that:
- (1) There is no previous record of the invoice having been entered onto the Accounting system;
 - (2) Should the original invoice appear at a later date, internal controls exist to ensure that the invoice will not be passed again for payment.
- j) Each Accounting Officer shall, as soon as possible after the end of the financial year and in any case not later than a date to be determined by the Director of Financer in each year, ensure all outstanding invoices of expenditure be sent to the Accounts Payable Section.
- k) Invoices shall not be made out by employees of the Government, nor shall an employee of the government add any additional items to an invoice rendered by a supplier. Invoices shall not be accepted in which the details are not written in ink or typed.
- l) No amendment shall be made to an invoice unless agreed with the supplier, and made in ink and shall be signed by the employee making the amendment and the reasons, if not self-evident, shall be briefly stated on the invoice.
- m) It is the duty of the Senior Accounts Payable Officer to return to the originators, any invoice voucher that has been authorised by someone other than those authorised to do so from the signatures received in 9.2.(c).

9.3 Payment of Invoices

Payment will be made into the nominated bank account of the supplier. Payments made in cash will be made only in exceptional circumstances and be agreed by the Director of Finance, to the person on the vouchers (or their legal representatives) who must sign the payment voucher as acknowledgement of receipt.

Payment by Bank transfer will be the preferred method and should be made wherever possible. Bank transfers must be authorised by the Accounting Services Manager and/or Head of Accounting Services to the approved limits set from time to time by the Financial Secretary.

Small cash payments may be paid out of the petty cash account (See section 15).

9.4 Payments entered in the Cash Book

All payments, in settlement of a Department's Invoice Voucher, will be effected by the Finance Directorate. The details must be entered into an electronic cashbook on a daily basis within the central accounting system.

9.5 Centrally Processed Transactions

The Accounts Section in Finance Directorate will process some charges centrally on behalf of other Directorates.

9.6 Refund of Deposits

Vouchers refunding deposits must be classified in the same manner as the receipt voucher on which the deposit was made. Wherever possible the payment voucher should contain a reference to the number and date of the original receipt voucher.

10. PAYROLL**Payroll Payments**

- a) Payroll payments may be allocated to a payroll control account, provided that the account is reconciled and cleared on a regular basis, and no transaction may remain un-cleared on the control account for a period longer than one week.
- b) Payment vouchers will be raised for the total net pay for part-time employees within a Service Area, and will be supported by a pay sheet, detailing each employee's net pay calculation. Delegated Officers from the Service Area may collect the cash in respect of personal emoluments for onward payment to the staff. The pay sheet must be signed by each employee for the receipt of the cash. The signed pay sheet must be returned to the Accounts Section in Finance, by no later than one week after the pay date. Any amounts not paid out must be notified to the Customer Service Centre Cashier immediately, and must be paid back in to the Cashier and a receipt obtained.
- c) Payment of salaries will be made directly into the employee's local bank account before the end of each month as determined by Financial Secretary
- d) Payslips will be issued to the delegated officers from the appropriate Service Area who should distribute to staff the same day or as soon as practicable as they are received.

11. INCOME

The Government receives local revenue, thus it is essential therefore that proper arrangements are made to secure all income due.

- a) All systems of collection and all records of money due to the Government shall be approved in writing by the Financial Secretary.
- b) No acknowledgement for money received on behalf of the Government shall be given by any employee except on an official form issued by the Financial Secretary or agreed in writing by him/her.
- c) All official receipt forms, tickets, documents and vouchers representing money or having a money value which are printed for the Government shall be ordered and issued by the Financial Secretary unless otherwise agreed in writing by him/her.
- d) Cash receipting machines shall only be used in accordance with procedures agreed in writing with the Financial Secretary.
- e) All sums received by the Service Areas shall be paid in full to the Customer Service Centre Cashier, an acknowledgement shall be obtained. The maximum amount of cash a Service Area is allowed to hold at any given time from revenue collection is £5,000.
- f) Any employee who receives money on behalf of a Government Service Area shall keep an accurate and chronological account of all receipts. This information should be held electronically wherever possible. The details recorded must include at least the item code, receipt number; date; payee and amount received.
- g) Except where otherwise provided (such as sale of Postal Orders, stamps or other document bearing a face value), any employee must furnish the payer with an official receipt, as issued by the Financial Secretary for any 'cash' payment. Details on the receipt must be entered in ink.
- h) Money received shall not be used to cash personal or any other cheques.

12. ABANDONMENT OF CLAIMS AND WRITE OFF

12.1 Waiver of Debts

The Governor may, subject to obtaining prior approval from the Secretary of State for amounts exceeding £50,000, authorise the Financial Secretary to waive Government's right to payment of any debt payable to Government. The Governor has delegated to the Financial Secretary the authority to waive any debt up to the value of £10,000 without redress to the Economy & Finance Committee or The Governor.

12.2 Write off of Public Moneys or Stores

- a) The Governor may, subject to obtaining prior approval from the Secretary of State for amounts exceeding £50,000, authorise the Financial Secretary to write off a loss of public money, public stores, assets or other property belonging to Government or provided for the public service. Reference should also be made to Contract Regulation 23 – Sales of Government Property.
- b) Notwithstanding subsections 12.1 and 12.2 (a), in every instance, every effort must be made to ensure that full recovery is made and prosecution and surcharging must be undertaken wherever possible.
- c) In the cases of arrears due by particular individuals in which the necessity or justification for writing them off upon local circumstances, and when no question is involved either of large amounts, of important or novel principle, or of the negligence of an officer, the Financial Secretary will from time to time furnish to the Chief Secretary and copied to the Head of Internal Audit a list of cases in which it has been decided to write off such arrears with the reasons for so doing entered against each case. Unless the Head of Internal Audit sees cause to challenge the decision in any case, this list will be accepted and approved as a valid discharge in respect of the non-collection of any amount specified therein.

12.3 Gifts of Government property

The Financial Secretary may authorise the gift of serviceable Government assets, stores or property, no longer required for Government purposes, to institutions or organisations established in St Helena, solely or principally for educational, scientific, cultural or charitable purposes, provided that, if the value of such assets, stores or property exceeds £10 000, the prior approval of the Governor shall be required.

13. POWER TO SURCHARGE

- 13.1** If it appears to the Financial Secretary that, by reason of neglect of duty, carelessness or fault of any person who is (or was at the time of such neglect, carelessness or fault) a public officer, such officer –
- a) Has failed to collect any money owing to the Government, for the collection of which such officer is or was responsible; or
 - b) Is or was responsible for any improper payment of public money (including payments in excess of appropriation) or for the payment of any money which were not duly vouched; or
 - c) is or was responsible for a deficiency in or for the loss or destruction of or damage to any public money, assets, securities, stamps, stores or other Government property; or
 - d) is or was responsible for any loss of or damage to the property of any other person resulting in government's liability to pay damages or compensation, the Financial Secretary may after due investigation, call upon such officer to show cause why he/she should not be surcharged the amount or value of the losses incurred.
- 13.2** If, within such reasonable time as the Financial Secretary may allow, an officer, who has been called upon in terms of subsection a), has not furnished a satisfactory explanation, the Financial Secretary may surcharge that officer in such amount as the Financial Secretary may determine, except that –
- a) in determining the amount to be surcharged the Financial Secretary shall take due account of the ability of the public officer to pay the surcharge without undue financial hardship; and
 - b) the amount surcharged shall not exceed the losses incurred in respect of subsection 13.1; and
 - c) the amount surcharged shall not exceed 25% of the gross annual salary, pension or other emolument of that officer.

13.3 Notice of Surcharge

The Financial Secretary shall notify in writing the public officer concerned, the Accounting Officer to which the officer is attached, the Director of Finance, the Head of Internal Audit and the Chief Secretary of any surcharge imposed under section 13.

13.4 Appeal of surcharge

- a) Any person who is aggrieved by a decision to surcharge made against him/her under section 13 may, within 30 days from the date on which the notification of surcharge was received by him, appeal to the Supreme Court against such decision.

- b) Any such appeal shall be commenced by the person aggrieved giving notice in writing to the Financial Secretary of his/her intention to appeal to the Supreme Court against the decision.
- c) On receipt of such notice the Financial Secretary shall prepare and send to the Supreme Court and to the appellant a brief statement on the question in issue.
- d) On the hearing of the appeal, the appellant and the Financial Secretary may, subject to any rules of court, appear and be heard in person or by a legal practitioner, recognised agent or advocate duly appointed to act on his behalf.
- e) The Supreme Court may make such order on the appeal as the circumstances may require, and every such order shall be given effect to by the Financial Secretary.
- f) The costs of the appeal shall be in the discretion of the Supreme Court.
- g) The Supreme Court may make rules of court for regulation appeals to the Court under the provisions of this section and for fees to be paid in respect thereof.
- h) Notwithstanding the provisions of section 13.6 any surcharge made by the Financial Secretary shall not be recoverable until such time as the time for lodging an appeal has expired or until the determination of such appeal, whichever is the later

13.5 Withdrawal of surcharge

The Financial Secretary may at any time withdraw any surcharge imposed, in which event he/she shall cause notification of such withdrawal to be given in writing, to the public officer concerned, the Accounting Officer to which the officer is attached, the Director of Finance, the Head of Internal Audit and the Chief Secretary.

13.6 Recovery of surcharge

- a) The Financial Secretary may cause any surcharge to be recovered by instalments by deduction from salary, wages, pension or other emoluments of the officer concerned.
- b) The surcharge may be recovered over a period not exceeding 12 months from the date of the surcharge being served.
- c) The amount of every surcharge shall be a debt due to the Government from the public officer concerned recoverable by civil proceedings.

14. REMITTANCES, MONETARY INSTRUMENT AND CURRENCY CONTROL

14.1 Control of St Helena Currency

14.1.1 Maximum Cash Holding

Cash holding is subject to the following maximum balances, unless otherwise authorised by the Financial Secretary.

Financial Secretary's Safe	£1,000,000
Customer Service Centre Safe	£200,000
Cash, Stamps, Postal Orders etc: Post Office, Jamestown	£200,000

14.1.2 Regulating Specie and Notes

A Currency Officer, under the direction of the Financial Secretary, shall regulate the importation of specie and notes, so as to ensure that the cash balance does not largely exceed local financial requirements. He/she may also, subject to the approval of the Financial Secretary, arrange for a remittance of specie and notes to supplement the Government's cash balances should it be deemed appropriate.

14.1.3 Remittance of St Helena Currency

- a) Whenever a remittance of specie or notes is received or about to be despatched a Currency Officer must ensure that the remittance is properly checked by at least two officers from the Finance Directorate
- b) When a remittance is received, the boxes and seals must be carefully inspected and any defective box or boxes that appear to have been tampered with must receive priority of check.
- c) When a remittance is about to be despatched, the two Finance Directorate officers must witness the packing of the specie and/or notes and must see that the boxes or packets are securely fastened and that they are sealed with the Government seal. As soon as the packets are sealed, they must be secured in the Financial Secretary's safe or the Finance Directorate strong room pending shipment.

14.2 Foreign Currency and Travellers Cheques

Foreign currency (notes only) and travellers' cheques may be received, subject to the approval of the Financial Secretary. The Financial Secretary shall issue, on a regular basis, a notice of exchange rates to be used. It is every public officer's responsibility to ensure that any monetary instrument received by him/her in a foreign currency is transacted at the proper prevailing exchange rate, as directed by the Financial Secretary.

14.3 Remittance of Cheques and other monetary instruments

All monetary instruments received, including cheques, travellers' cheques and foreign currency must be sent to the Crown Agents Bank, London or a Bank as may be designated by the Financial Secretary at the earliest practical opportunity. Verification of insurance cover must be made before sending.

14.4 Electronic Transfers

Remittances to and from overseas destinations may be made by electronic transfer, via Crown Agents Bank or a bank approved by the Financial Secretary to effect the overseas payments for Government

14.5 Acceptance of Cheques

The Financial Secretary may accept cheques where it is deemed not prejudicial to the Government. Cheques drawn by officers may be accepted subject to any limits that the Financial Secretary may stipulate from time to time. All cheques must be crossed and drawn in favour of the St Helena Government. Post dated cheques must not be accepted.

14.6 Bills of Exchange and Promissory Notes

Bills of Exchange and Promissory Notes may not be accepted without the specific written approval of the Financial Secretary.

15 PETTY CASH

- a) Advances of varying amount may be made to an individual in a Service Area in order that relatively small incidental payments may be made quickly. There are two types of cash advance.
 - (1) Special Imprest Account, which must be accounted for separately and in full in each case; and
 - (2) Standing Petty Cash Account, this may be replenished from time to time upon the submission of paid vouchers to the Financial Secretary for reimbursement.
- b) The Financial Secretary may authorise the issue of Petty Cash from the Consolidated Fund to public officers, for any purpose for which money have been appropriated there from. For the purposes of this section a Member of the Legislative Council is a public officer.
- c) Application for Petty Cash should be made to the Financial Secretary, explaining the necessity for such account. The amount and duration of any such account should be kept to a practicable minimum.
- d) The payment voucher in respect of an account must clearly state the name and official designation of the payee. The Petty Cash holder must sign for the payment voucher for the receipt of the cash.
- e) In accordance with the provisions for receipts and payments of public money contained elsewhere in these Regulations, all receipts and payments in respect of Petty Cash accounts must be properly accounted for and proper cash books and vouchers records must be maintained.
- f) A Cash account shall be the personal responsibility of the Petty Cash holder, who may be required by the Financial Secretary to make good any shortage in the account.
- g) Whenever a public officer leaves the employment or service of the government or otherwise ceases to be entitled to hold a Petty Cash Account, the unexpended balance of advance shall, unless otherwise agreed with the Financial Secretary, be repaid to the Consolidated Fund. The Petty Cash holder shall submit to the Financial Secretary an account and vouchers in respect of the amount expended.
- h) The accounts of all Petty Cash holders are subject to inspection and verification of the cash balances by the Financial Secretary, Internal Audit Office or the Accounting Officer to which the Petty Cash holder is attached.

16. ADVANCES

16.1 Limitation of Advances

The total of the sums issued and disbursed for the purposes of making advances shall not exceed in aggregate at any one time, after deducting repayments, an amount of £1,000,000 or such other sum as the Financial Secretary, with the approval of the Governor, may from time to time determine.

16.2 Types of Advances

Subject to the limitation set out above, the Financial Secretary may make disbursements of money forming part of the Consolidated Fund or of other public money for the purposes of making advances:

- a) on behalf of and recoverable from, other Governments, administrations and Statutory Bodies; or
- b) to public officers, for such purposes and on such terms and conditions as may be prescribed in Code of Management or in this Financial Regulations; or
- c) to, or on behalf of public bodies, institutions or individuals where such advances are, in the opinion of the Financial Secretary, in the public interest; or
- d) for such other purposes and on such terms and conditions as the Governor, with the approval of Legislative Council, may determine.

16.3 Purposes of Personal Advances

Personal advances to employees may only be made in accordance with the provision in these Regulations, unless the Governor determines otherwise, and any such advance will only be granted for the following purposes:-

- a) Salary/wage in respect of leave to be spent outside St Helena;
- b) passage fares when leave is taken outside St Helena for employee, partner/spouse and dependants.
- c) assistance with an approved scholarship or training course (including correspondence course);
- d) entrance fees for approved examinations;
- e) passage fares for a spouse/partner accompanying the employee on a course;
- f) passage fares and related costs to enable an employee or his family to be accompanied when travelling for medical treatment;
- g) related costs to enable an employee when travelling for medical treatment; and
- h) other purposes supported by the Financial Secretary and Chief Secretary.

16.4 Conditions applicable to Personal Advances

No advance account may be opened without the authority of the Financial Secretary. Any advance issued in accordance with subsection 16.3 shall be subject to the terms and conditions, below. Interest will be charged at the rate of 8%.

16.5 Salary/Wage Advances in respect of leave to be taken outside St Helena

Leave salary/wage shall be debited in the first instance to advances. Each month the salary amount shall be debited to the appropriate salary account and the corresponding credits shall be made to reduce the balance outstanding on the advance account.

16.6 Advances for Passages

The amount advanced to an employee will be £1 000 in respect of passages for leave spent abroad. The advance must be repaid within 4 years immediately following receipt of the advance. Monthly deductions will be made from the employee's salary/wage.

16.7 Advances for approved training

The first instalment of any such advance will either be repaid in the month following the receipt of the advance, or in the case of employee taking unpaid leave overseas to take a course, the month following the officer's return to St Helena. The advance must be repaid within 4 years. Monthly deductions will be made from the employee's salary/wage.

16.8 Advances for approved examinations

- a) All staff are eligible for advances in respect of approved examinations;
- b) Arrangements for advances in respect of approved examinations shall be made via the respective Accounting Officer, when the candidate registers for the examinations. The candidate must sign an undertaking to repay the advance by deduction from salary, if unsuccessful in the examinations;
- c) Candidates, successful in their examinations shall have their advance accounts cleared and charged to the appropriate Service Area.
- d) Candidates that are unsuccessful shall repay the advance by instalments in line with the undertaking signed in accordance with (b) above.

16.9 Repayment of Unforeseen advances

Unless otherwise provided in these subsections, unforeseen personal advances shall be repayable by equal instalments over a period not exceeding five months, unless the Financial Secretary shall approve a longer duration. The first instalment of any such repayment will normally be made by deduction from salary in the month following that in which the advance was made.

16.10 Collateral Security

The Financial Secretary shall have the right to require collateral security in respect of any advance exceeding one month's salary.

16.11 Responsibility of Accounting Officer

- a) Accounting Officer are responsible for ensuring that all officers in the Service Area, in receipt of personal advances, comply with all the terms and conditions under which the advances were made, particularly in respect to repayment. This does not relieve the responsibility or limit the powers of the Financial Secretary to take any steps, he/she deems appropriate, to recover any outstanding amount of an advance.

- b) Advances made to employees on behalf of third parties (e.g. overseas conferences part funded by organisation) are to be repaid in full. If for any reason the full reimbursement is not received the shortfall will have to be recovered from the relevant Service Area budget.

17 DEPOSITS

Any money, not being money raised or received for the purposes of the Government, which may be deposited with the Financial Secretary or with any public officer, (such money being hereinafter referred to as “deposits”) shall not form part of the Consolidated Fund.

17.1 Investment of Deposits

The Financial Secretary may authorise the investment of deposits in like manner as is authorised by section 6 (1) of the Public Finance Ordinance in respect of Public Funds; provided that any interest or dividend received or accrued in respect of deposits invested in accordance with this subsection shall be paid into and form part of the Consolidated Fund.

17.2 Unclaimed Deposits

Any deposit which remains unclaimed for a period of six years shall be paid into and form part of the Consolidation Fund; provided that if the person entitled thereto shall subsequently prove to the satisfaction of the Financial Secretary his or her claim to any such deposit, the Financial Secretary shall thereupon refund the said deposit to such person. Such refund may be paid out of the Consolidated Fund without further warrant or appropriation other than stated in the Public Finance Ordinance.

17.3 Administration of Deposits

Subject to the provisions of the Public Finance Ordinance, the Financial Secretary is authorised to administer, and (in appropriate cases) to refund any deposit to the person entitled thereto.

18 ASSETS

It is important that the Government's physical assets are protected against loss or theft and those they are controlled in such a way as to minimise the risk of loss. In addition to making proper arrangements to safeguard physical assets on the Government's premises, it is necessary to maintain a complete and accurate record of the assets held. These regulations set out what is required in relation to the maintenance, control and inspection of assets and disposal of surplus or damaged items. To enable St Helena Government to have some form of valuation of its Fixed Assets and to enable effective and efficient capital expenditure budget planning for replacement requirements a central asset register will be maintained by the Accounts Section in the Finance Directorate. Fixed assets shall be categorised as follows:

- Land
- Buildings
- Infrastructure
- Plant and Machinery
- Motor Vehicles
- Equipment including computers
- Furniture and Fittings
- IT Networks

18.1 It is the responsibility of Accounting Officers to ensure that all assets in the charge of their Service Areas are properly managed and controlled. A Central Asset Register will be maintained for all assets in excess of the value of £1 000 and will be the responsibility of the Head of Accounting Services in the Finance Directorate. All other assets shall be recorded in a form approved by the Financial Secretary. Where the assets are maintained on a computer system a hard copy printout of these assets held shall be produced at least annually.

18.2 Assets recorded by Service Areas should be restricted to all equipment, plant and vehicles costing £100 or more; all non-consumable items of equipment of a portable and desirable nature costing £50 or more or any other items of a portable and desirable nature considered by the Accounting Officer to warrant inclusion. The information recorded should include date of acquisition, description, cost, serial number, make, date purchased, estimated useful life and location.

18.3 Any new acquisition or disposal must be properly detailed in the register.

18.4 The Accounting Officer is responsible for informing the Head of Accounting Services or his/ her delegate of all necessary details (i.e. copy of invoice) as soon as the asset (valued over £1 000) is received so that the details in section 18.2 can be updated.

18.5 Each Accounting Officer shall arrange for all assets to be checked at least annually by an independent person and for these checks to verify the actual existence of the assets. A hard copy of the register needs to be printed and after examination it must be dated and the signature of both the independent person as well as the responsible officer needs to be stated.

18.6 Surplus, obsolete or unserviceable government property with an estimated current value exceeding £1,000, or a number of such items with a total estimated current value exceeding £1,000 shall not normally be disposed of other than by sale by public auction, trade-in or competitive tender. (Reference to Contract Regulation 23)

18.7 For items valued at less than £1,000 the Accounting Officer may determine the method of disposal in such a manner as to produce the highest net return to the Government. (Reference to Contract Regulation 23)

18.8 Whenever an employee hands over, leaves or ceases to be responsible for the custody of any property of the Government which is entered on an inventory, the Accounting Officer concerned shall ensure that a check is made of that property and that a handing-over certificate, or the inventory itself is signed by the outgoing and incoming employees.

18.9 The Government's property shall not be removed otherwise than in accordance with the ordinary course of the Government's business or used otherwise than for the Government's purposes. Where equipment is removed from the premises by staff in carrying out the Government's business at home, the loan of equipment should be acknowledged by signature in a suitable record, which should be endorsed accordingly when the equipment is returned.

19 STOCKS AND STORES

The Accounting Officer shall be responsible for the care and custody of the stocks and stores in his/her Service Area. Appropriate arrangements should be made for stock checking, security and record keeping commensurate with the value and attractiveness of the stores items.

19.1 There are two main classifications of Government Stores:

- a) Unallocated Stores; and
- b) Allocated Stores

Only the Public Works and Services Department may procure, hold and issue Unallocated Stores. The purpose of stores is, primarily, to furnish the stocks and materials required by Government Service Areas in the provision of their services.

19.2 Unallocated Stores

- a) Unallocated Stores are stores, which are held in bulk stock in the Unallocated Stores Division within the Infrastructure & Utilities Directorate. The value of the stock held in respect of Unallocated Stores shall be shown in Government's Statement of Assets & Liabilities.
- b) The costs relating to purchases of Unallocated Stores shall be charged against the Unallocated Stores Account as shown in the Expenditure Estimates.
- c) The cost of goods issued to Service Areas shall be credited to the revenue subheads as shown in the Revenue Estimates. The sales shall include a mark up at a rate determined by the Financial Secretary, to cover the operating costs of the Unallocated Stores operations.
- d) The receiving Service Area shall be charged for the costs of the goods issued by way of a recharge.
- e) Unallocated Stores shall be accounted for by both quantity and value.

19.3 Excess Stocks

It is the responsibility of the Accounting Officer, to ensure that excessive stocks are not held in Unallocated Stores. Stocks should be maintained at levels that will just furnish the requirements of Service Areas but no more. With the exception of some emergency/contingency items of spares (of which a minimum of one unit must be kept at all times), no item of stock should be held at levels exceeding nine month's stock. It is the responsibility of the Accounting Officer to ensure that the emergency contingency items of stock are properly identified. It is also his/her responsibility to ensure that stock holdings do not exceed the limits contained in this subsection.

19.4 Accounting Systems

The Accounting Officer for the Public Works and Services Department shall ensure that proper systems are in place and maintained to:-

- a) ensure that all stock movements (goods received and goods issued) and stock holdings are properly accounted for by both quantity and value;
- b) charge Government Service Areas for issues made;
- c) provide a means of checking and verification;
- d) adequately control and manage payments to suppliers for goods received in good condition, and for making claims for short deliveries of goods received in unsatisfactory condition;
- e) provide information regarding existing and optimal stock levels;
- f) provide pricing information upon which future procurement decisions can be based;
- g) provide information regarding liabilities incurred with suppliers for outstanding orders and indents.

19.5 Allocated Stores

Allocated Stores are those stores, which have been procured for a specific use within the ambit of a government vote and charged directly as expenditure against that vote. Allocated Stores may be procured by way of issue from Unallocated Stores.

19.6 Procurement of All Stores

- a) All procurement of stores shall be undertaken in accordance with Contract Regulations.
- b) Where applicable, all purchases must conform to any standardisation policy that may be in operation within Government from time to time.
- c) All goods received must be checked for quantity and quality, and the supplier immediately notified of any discrepancy.

19.7 Stock Control

- a) Accounting Officers shall hold stocks only to the level determined for operational needs. It is the responsibility of the Accounting Officer to ensure that the emergency/contingency items of stock are properly identified.
- b) Every employee responsible for the receipt and issue of stocks and stores shall keep such records of their transactions as the Financial Secretary may determine in order to maintain efficient control of the receipts and issues of such stores. All such records shall be in a form approved by the Financial Secretary, who in consultation with the Governor, may agree that certain items may be excluded from the records.
- c) The method of stocktaking shall be agreed by the Financial Secretary. Where continuous stocktaking is applied, all stores shall be checked at least once in each financial year. Stock sheets must be prepared at every stocktaking, showing actual

stocks in hand, and balances shown in the stores accounts and any surpluses or deficiencies.

- d) Every issue of stores must be supported by a requisition note stating the quantity of goods required and signed by an authorised employee. Such requisition notes must be received by the person receiving the goods.

19.8 Handing over Stores

- a) When a public officer hands over the charge of stores to another public officer (e.g. leaving job, going on overseas leave), the latter shall verify the stock held against the records maintained. Both officers shall sign a certificate in duplicate, one copy of which will be retained by the officer taking charge of the stores and the other sent to the Accounting Officer.
- b) Where the number of items makes it impracticable to carry out a full check of all the items in stores, test checks shall be carried out. Such test checks shall encompass a reasonable percentage of items, and shall concentrate on the largest value items.
- c) Any discrepancy found during the checking, shall be notified immediately to the Financial Secretary and the Head of Internal Audit, via the Accounting Officer.

19.9 Independent Check of Stores

- a) The Internal Audit Office will periodically undertake its own independent reviews to provide assurance that Accounting Officer have implemented appropriate controls to ensure the safeguarding of stock under their control and that stock-taking is being performed to ensure the record of balances held is accurate.
- b) The frequency and scope of these reviews will be determined by the Head of Internal Audit, in agreement with the Financial Secretary and Audit Committee, taking into due consideration the levels of risk involved.

20 SECURITY

The Government's investment in stocks, stores, cash, stamps, furniture and equipment at Service Area and establishments requires that adequate and reasonable security arrangements exist to safeguard against potential risks of theft, fraud or irregularity. These regulations seek to ensure that sufficient measures are taken by the Accounting Officers to minimise these risks. The IT Policy under the Code of Management shall be followed with regards to IT and computer equipment (Please refer to the IT Policy in Code of Management.)

20.1 Responsibility

- a) Each Accounting Officer is responsible for the custody and control and for maintaining adequate and reasonable security at all times of all stocks, stores, cash, stamps, furniture, plant, equipment, vehicles and other items in his/her Service Area.
- b) It is the responsibility of each Accounting Officer to ensure that all Service Area officers, who are required to hold public money, stamps, official receipts etc., are provided with proper safe custody facilities.
- c) It is the responsibility of each Service Area officer to report any apparent inadequate security facility to the Accounting Officer without delay.

20.2 Cash and Stamps

- a) Public money in a Government Office shall be kept under lock and key in the charge of nominated responsible persons at all times. The nominated person will be directly responsible for it and, except in the case of strong rooms with two locks, have sole access to it.
- b) Revenue collections (pending payment to the Customer Service Centre Cashier or to a Bank), imprest cash and cash drawn for the payment of wages or for any other purpose which are in excess of £200 must be placed in a strongroom or safe.
- c) If a cash box is used it must be placed in secured facility preferable a strongroom or safe overnight or whenever the person responsible is absent from the office for any purpose. On no account will the cash box be left unattended, or a strongroom or safe door left open.

20.3 Strong rooms and Safes

- a) The following must be kept in a strongroom:
 - The cash reserves of the Finance Directorate
 - The reserve stock of stamps and postal orders in the Post Office
- b) The Finance Directorate strong room shall be secured by two locks, the key of one being held by the Deputy Chief Secretary (Office of the Chief Secretary) and the other by the Financial Secretary or an officer duly appointed. In the absence of one of these officers, including through illness or leave, the key or keys will be held by an officer(s) appointed by the Financial Secretary. On no occasions will both keys

be held by the same officer. A sample check of the strongroom/safe contents should be carried out by the receiving officer and evidence of such retained.

- c) The Post Office strongroom shall only be opened in the presence of two nominated officers one of which must be the Post Mistress/Master or in their absence the Deputy Post Mistress/Master.
- d) The door to the strongroom may only be opened by the Financial Secretary or an officer duly appointed by him/her.
- e) Strongrooms and safes in joint custody shall not be opened, except by the responsible officers both of whom must remain present during such time that the strongroom or safe is open. On no account shall any officer responsible for a strongroom or safe hand over the keys, except under the express instruction of the Financial Secretary.
- f) A register of all money, stamps, postal orders and other articles deposited or withdrawn shall be kept for each safe and strongroom belonging to Government. The register will be initialled by the officer responsible for the key(s) for each entry.
- g) The Accounting Officer in charge of a strongroom and/or safe will, periodically (no less than once a year), verify the contents. The responsible officer and accounting officer shall sign a certificate of the verification, which will be kept in the strongroom or safe with a copy being sent to the Internal Audit Office. Any discrepancy must be reported immediately to the Financial Secretary and Head of Internal Audit.
- h) Spare keys of strong rooms and other safes will be enclosed in well secured packets with the key numbers and safes to which they belong stated on the outside. The seal of the packet should be signed by the responsible key holder and Accounting Officer. Spare keys will be kept in a safe held by the Chief Secretary or other officer nominated by him/her. A register of all keys will be kept in the safe in which the spare keys are deposited. The numbers of combination locks on strong-rooms or safes will be secured in a similar fashion. If the secured packet is opened due to loss of keys/combinations replacements will need to be secured and signed across the seal by the appropriate officers again.

21 AUDIT SERVICE AND INTERNAL AUDIT OFFICE

The Chief Auditor is obliged by law to carry out the audit of the annual accounts of St Helena Government as well as various public bodies. The Audit Service also conducts Value for Money reviews on behalf of the Legislative Council examining the economy, efficiency and effectiveness of public spending. In addition the Internal Audit Office provides an internal audit service to Government, giving independent assurance and consultancy services on issues relating to risk management, control, governance and their effectiveness in assisting the achievement of Government's objectives.

- a) The Chief Auditor and his/her representatives as well as Internal Audit Office and their representative shall have authority to enter at all times on any premises or land used by the St Helena Government and to have access to all correspondence, documents, books or other records of any employee of the Government and appertaining in any way to the activities of the Government.
- b) The Chief Auditor and Internal Audit Office shall be entitled to require such explanation as he/she considers necessary to establish the correctness of any matter under examination. The Chief Auditor and Internal Audit Office shall have the authority to require any employee of the Government to produce cash, stores, or other Government property under his/her control.
- c) Accounting Officers must report any reasonable suspicions of fraud or related negligence to the Head of Internal Audit immediately. The policy on Fraud and Related Negligence contained in the Code of Management should be followed in such circumstances.

22 RETENTION OF DOCUMENTS

The secure retention of all appropriate financial records is of paramount importance. Some are required to be kept because of a statutory requirement to do so. For most records the minimum period is 6 years plus the current financial year. The following applies to:

	Years
a) Ledgers, Cash Books and Journals	6
b) Orders, Invoices and payment vouchers	6
c) Receipt books	6
d) Special ledgers and records (e.g. housing loans)	20
e) Personnel and payroll records	6
f) Tax records	6

The destruction of the above documents needs to be done as securely and efficiently as possible in order that no sensitive and important information is leaked.

Records and documents which are not financially related will be held by the various Service Areas and their retention and destruction will be covered under their procedures.