



REPUBLIC OF VANUATU

DECENTRALIZATION ACT [CAP 230]

**Instrument of Appointment Investigator - SANMA Local
Government Council
Order No. 50 of 2011**

In exercise of the powers conferred on me by subsection 18L (1) of the Decentralization Act [CAP 230], I, Honorable, **MARCELLINO PIPITE**, Acting Minister of Internal Affairs, make the following appointment.

1 Appointment of investigator

Luke Shem is appointed as investigator to the SANMA Local Government Council for a period of 2 weeks commencing on the date on which this Order is made.

2 Terms of reference

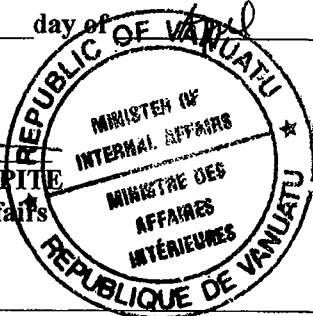
The Investigator must carry out his functions according to the Terms of Reference set out in the Schedule.

4 Commencement

This Instrument of Appointment commences on the date on which it is made.

Made at Port Vila this 1 day of July 2011.


Honorable **MARCELLINO PIPITE**
Acting Minister of Internal Affairs



SCHEDULE

TERMS OF REFERENCE OF INVESTIGATOR TO THE SANMA LOCAL GOVERNMENT COUNCIL

1 Objective

To inquire into and report and ascertain whether the financial transactions have been carried out in accordance with:

- (a) the provisions of the Decentralization Act [CAP 130] with the Local Government Council's Financial Regulations;
- (b) ministerial instructions;
- (c) relevant accounting standards.

2 Inquiry Report

The inquirers are to prepare a report of the results of this inquiry to the Minister of Internal Affairs no later than 10 days after the two weeks of investigation ceases.

3 Extension of inquiry

Where the results of the inquiry indicate that the inquiry should be expanded to areas other than financial transactions, the inquirers may request that the inquiry be extended into such areas.

4 Scope of inquiry

- (1) The inquiry is to be carried out in accordance with the relevant standards of accounting and will include such tests and controls as the inquirer considers necessary under the circumstances.
- (2) The inquiry is to cover the activities carried out in all of the Council's premises.

5 Procedure when conducting inquiry

While conducting the inquiry, special attention must be made to the following:

- (a) whether funds provided by the Government, banks, donors or other parties as grants or loans have been used in accordance with the conditions as laid

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down in their respective agreements and have been recorded in such manner that will distinguish those grants or loans from other transactions;

- (b) whether expenditure, including procurement of goods and services, have the necessary supporting documentation and have been incurred in accordance within the provisions of the Financial Regulations;
- (c) whether goods and services procured by the SANMA Local Government Council (the 'Council'), are supported by valid orders, receipts and invoices and are recorded correctly in the Books of Account;
- (d) whether invoices, financial contracts and other documents (that may affect the future financial and contingent liabilities of the Council) that impact the financial record-keeping of the Council, are promptly received by the Treasury section of the Council and are kept in a safe and secure location in the Treasury section.
- (e) whether payments to suppliers of goods and services are made in accordance with the Financial Regulations and relevant Accounting Standards and are recorded promptly and accurately in the books of account;
- (f) whether cheques drawn for payments are fully supported by the relevant documentation and are correctly checked and signed by the appointed signatories in accordance with the Financial Regulations;
- (g) whether payments of cash are fully supported by the relevant documentation and the recipient has signed for the correct amount of the cash disbursed and the amounts are promptly and correctly recorded in the Books of Account;
- (h) whether bank accounts opened and kept in the name of the Council are reconciled at least once per month against financial records in the Treasury section;
- (i) whether balance sheet accounts are reconciled at least once per month;
- (j) whether financial records have been prepared in accordance with consistently applied relevant Accounting Standards and give a true and fair view of the financial position of the Council;

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- (k) whether documentation is filed promptly in easily identifiable and accessible locations for accounts verification;
- (l) whether payroll records (which are records that also contain full information on conditions of service, position description, entitlements and leave records), are kept up to date in a safe and secure place that is in a location that affords confidentiality;
- (m) whether payments made to staff are in accordance with their conditions of service and are made against time sheets approved by their authorized manager or supervisor whose responsibility it is to check the entries for accuracy and applicability. Overtime, advances and other emoluments are recorded and calculated and conform to approval;
- (n) whether management accounts are produced for the Town Clerk and the Council Members on a monthly basis and represent a true position of the Council's financial position;
- (o) whether annual accounts are prepared for audit in the timeframe designated by the Finance Regulations;
- (p) whether any payment made to any Councilor is in accordance with the Financial Regulations guidelines and ministerial instructions.

6 Coverage

The inquirers are to have free and uninhibited access to all documents within the Council including areas under the jurisdiction of the Council in order to assist the inquirers in verifying the following:

- (a) whether the necessary supporting documents, records, invoices etc. have been kept with Books of Accounts;
- (b) whether the Standard Books of Accounts such as Cash Book, Bank Book, Journal, Ledger, stock register, fixed assets register etc are maintained;
- (c) whether the physical verification of Council assets has been carried out and reconciled at least once in each year;
- (d) whether the verification that the valuations of properties on which the Council levies Property Tax are regularly updated and that record keeping

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- and invoicing of the Property Tax is carried out in an efficient and timely manner;
- (e) whether the cash and Bank payments to suppliers, contractors, various institutes etc. and receipt of funds from various sources are properly made and that discounts given are given with the appropriate authority and are correctly recorded;
 - (f) whether the adjustment of suppliers part supply against their bills, if any have been correctly controlled and accounted for;
 - (g) whether the expenditure limits are documented and adhered to at all times;
 - (h) whether the process of tender evaluation and award of work to contractors, consultants or other parties are as per prescribed in the procedures.
 - (i) whether the supervision of the work awarded to contractors, consultants or other parties is carried out and assessed on a continuing basis, and at the completion of the work an evaluation is carried out and recorded by the person responsible for overseeing the work;