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MINISTRY OF DEFENCE

THE DEFENCE LOGISTICS SUPPORT CHAIN MANUAL JSP 886

VOLUME 4 MATERIEL ACCOUNTING

PART 103 AUDIT AND MONITORING REQUIREMENTS FOR STO(N) SERVING AFLOAT

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SUMMARY

3.1. This chapter describes the general principles required to monitor accounting performance by Supply and Transport Officers (STO(N)s) serving afloat in Royal Fleet Auxiliary (RFA) Solid Support Ships and Ships Taken Up From Trade (STUFT).

3.2. Due to the operational commitments of RFAs/STUFTs and the irregularity of STO(N) appointments, in addition to the Annual Report of Materiel Accounting (ARMA) procedure, as described in Chapter 2, special accounts and performance practices have been devised, based on an accounting certificate provided by the outgoing STO(N) on change of appointment.

OWNERSHIP AND POINTS OF CONTACT

3.3. Formulation of policy on Materiel Accounting – Audit and Monitoring Requirements for STO(N) Serving Afloat lies with the Deputy Head Support Chain Management – Support Chain Management Policy (DepHd DES JSC SCM-SCPol) and is ratified by the Defence Logistic Policy Working Group (DLPWG). Enquiries concerning this document should be addressed to:

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LINKING DOCUMENTATION

3.4. The contents of this chapter may be read in conjunction with the following chapters within BR 1029(3):

- | | |
|--|-----------|
| a. Principles of Audit | Chapter 2 |
| b. Principles of Internal Control | Chapter 2 |
| c. Role of Head Office (SC 612) in Audit | Chapter 2 |
| d. Synopsis of Audit Comments | Chapter 2 |
| e. National Audit Office and Public Accounts Committee | Chapter 2 |
| f. Director of Internal Audit | Chapter 2 |
| g. Computer Audit | Chapter 2 |
| h. Annual Report of Materiel Accounts (ARMA) | Chapter 2 |

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- i. Review and Retention of Materiel Accounting Documentation Chapter 25

VISIT TO DIRECTOR WATERFRONT OPERATIONS SAR 102 ON APPOINTMENT

3.5. Officers appointed as STO(N)s afloat are required to visit SAR 102 as part of their pre-appointment programme, when they will be appraised of their materiel accounting and audit responsibilities. Additionally and if applicable, a resume of outstanding queries relating to the current STO(N)'s existing accounts will also be given.

ROLE OF STO(N)S

3.6. The role of STO(N) staff is to manage in all respects the operational load, including receipt, storage and issue, with the usual range of associated administrative and accounting requirements.

ESTABLISHMENT OF ACCOUNTING AND PERFORMANCE CONTROLS

3.7. The STO(N) is ultimately responsible for materiel accountability and performance achieved and therefore he/she must check the propriety, completeness and accuracy of the work of the departments under his/her control, and to this end he/she will have to ensure that he/she personally reviews and evaluates materiel accounting procedures and performance at regular intervals, which will then form the basis of the production of the ARMA.

3.8. The detailed organisation of this procedure will vary according to the type of vessel and complexity of accounts held. As a result the organisation of this procedure has to rest with the STO(N) and is to be set out in a procedural instruction raised on board.

PERFORMANCE SHORTFALLS

3.9. Performance is to include shortfalls in any area of STO(N) activity which is considered below standard.

3.10. The Accounting and Performance Certificate (see Annex 3.1) reflects the need for shortfalls to be reported as they are identified and summarised at Parts 2 and 3, and not delayed by being reported through the ARMA process at the end of the financial year.

ACCOUNTING AND PERFORMANCE CERTIFICATE (PARTS 1 AND 2) – STO(N)S SERVING AFLOAT

3.11. Prior to handover the departing STO(N) is to undertake a final review of his/her accounts and associated activities and complete Parts 1 and 2 of the Certificate at Annex 3.1 (to be reproduced locally).

3.12. Certificates (Parts 1 and 2) are to be forwarded to SAR 102 through Hd AFSUP/SL4a, as soon as possible after completion in order that they can be evaluated.

3.13. Three copies of the Certificate (Part 1 and 2) are to be raised, one for the on board file, one for the relief STO(N), and one for Hd AFSup.

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3.14. Particular importance is given to Part 2 of the Certificate and the need for comprehensive comments to be made, as these are particularly relevant to the handover process and eventual completion of Part 3.

3.15. During the first three months of the STO(N)'s tour of duty he/she is to review the comments at Part 2 of the Certificate and complete Part 3 as appropriate.

3.16. Part 3 of the Certificate is to be forwarded to SAR 102 as soon as possible after completion in order that it and its associated Parts 1 and 2 may be evaluated.

3.17. Two copies of the Certificate (Part 3) are to be raised, one for the on board file, the other for SL4a/Hd AFSup.

AUDIT AUTHORITY CHECKS

3.18. National Audit Office (NAO) and Directorate of Internal Audit (DIA) auditors are aware of the Accounting and Performance Certificate procedure and may include this in their enquiries.

CLOSURE OF ACCOUNTS CERTIFICATE – STO(N)S AFLOAT

3.19. At total destore the STO(N) is required to complete and forward to SAR 102 through SL4a, a Closure of Accounts Certificate in the form of Annex 3.2 (to be reproduced locally).

3.20. On partial destore a Closure of Accounts Certificate in the form of Annex 3.3 is to be raised.

3.21. Up to three copies of the Certificate will be required, one for the onboard file, one for SL4a and (if applicable) the other for the relief STO(N).

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**ANNEX 3.1 - ACCOUNTING AND PERFORMANCE CERTIFICATE -
STO(N)S AFLOAT IN SOLID SUPPORT SHIPS**

(See Paragraphs 3.8 and 3.9)

Part 1: Certificate

Accounting and *Performance Certificate for the period 20.. to
..... 20...

To SAR 102 (see Para 3.11)
Copy to SL4a

1. During the period of my appointment as STO(N) serving aboard RFA
....., I have assured myself that:
 - a. All Accounts have been regularly examined by me and they provide a true reflection of the actual state of accounting and performance.
 - b. All Dispensations to deviate from current Instructions are authorised in writing by the appropriate Head Office (HO) Branch.
 - c. Any item(s) of significant importance, including shortfalls in WSA performance, have been referred, as they occurred to the appropriate HO Authority and copied to SAR 102 and SL4a (to include size and nature of backlogs of work).
 - d. Losses were actioned and authorised in accordance with current Instructions and included in the Report(s) of Cash and Materiel Losses forwarded to SAR 102 on
..... (reference(s) and date(s)).
 - e. Stocktaking has been carried out in accordance with current Instructions and the Certificate(s) of Stocktaking raised and passed to SAR 102 on (reference(s) and date(s)).
 - f. Matters arising from the last HO Inspection raised under Reference dated 20.. have been satisfactorily actioned.
 - g. Observations raised by DIA/NAO have been actioned to the satisfaction of both the Audit Authority concerned and SAR 102.
2. Matters still outstanding at 1c-g and other significant areas of weakness or concern in accounting or performance revealed during the period are recorded at Part 2 of this Certificate.

** Signature of departing STO(N)
Name
RFA
Date 20 ...

* Performance is to include any area of activity which is considered below standard. See paragraph 3.8

** To be signed personally by STO(N)

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Part 2: Additional Comments By Departing Sto(N)

(a) Accounting

(b) Performance

(continue on a separate sheet if necessary).

**Signature of departing STO(N)
Name
RFA
Date 20 ..

- * Comments are to be numbered for ease of reference.
- ** To be signed personally by STO(N).

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Part 3: To be Raised on Completing 3 Months in Post

To SAR 102 (see Para 3.14)
Copy SL4a

1. The additional comments at Part 2 of this Certificate dated 20.. ,
and forwarded to
SAR 102 under Reference have been pursued and the
current position on each is described below:

(a) Accounting

(b) **Performance

2. My general comments on the accounts as inherited are:

(continue on a separate sheet if necessary).

**Signature of STO(N)
Name
RFA
Date 20..

* Performance is to include any area of activity, which is considered below
standard. See
Para. 3.8.

** To be signed personally by STO(N).

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**ANNEX 3.2 - CLOSURE OF ACCOUNTS CERTIFICATE - STO(N)S
SERVING AFLOAT**

(See Paragraph 3.18)

By STO(N) (name of vessel)

To SAR 102

1. I certify that:

- a. Store Accounts have been closed, all stock balances reduced to zero and all discrepancies investigated and cleared in accordance with current Instructions.
- b. All Subsidiary Accounts and Inventories have been cleared and details of the final disposal of the items which are covered by such Subsidiary accounts and inventories have been properly recorded.
- c. Any receipts required against issues made have been obtained.
- d. All necessary action has been taken against Repayment Issues to ensure the recovery of amounts due.
- e. All outstanding loans have been reported.
- f. All entries in registers have been properly completed and cleared.
- g. All auditable records, not due for disposal, *have been/will be despatched to:

.....
.....

2. Narrative of Closure.

(Continue over)

* Delete as appropriate

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(Narrative continued)

**Signature
Name
RFA
Date 20 ...

** To be signed personally by STO(N).

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**ANNEX 3.3 - PARTIAL CLOSURE OF ACCOUNTS CERTIFICATE -
STO(N)S SERVING AFLOAT**

(See Paragraph 3.19)

By STO(N) (name of vessel)

To SAR 102 (see para 3.19)
Copy to SL4a

1. I certify that:

a. the following Store Accounts have been closed.

.....
.....
.....

b. All related stock balances have been reduced to zero and all discrepancies investigated and cleared in accordance with current Instructions.

c. All related Subsidiary Accounts and Inventories have been cleared and details of the final disposal of the items which are covered by such Subsidiary Accounts and inventories have been properly recorded.

d. Any receipts required against issues made have been obtained.

e. All necessary action has been taken against Repayment Issues to ensure the recovery of amounts due.

f. All outstanding losses have been reported.

g. All entries in registers have been properly completed and cleared.

h. All auditable records, not due for disposal, *have been/will be despatched to:

.....
.....

2. Narrative of Closure.

(Continue over)

* Delete as appropriate

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(Narrative continued)

*Signature
Name
RFA
Date 20 ...

* To be signed personally by STO(N).