



GOVERNMENT OF THE PITCAIRN ISLANDS

GENERAL STORE OPERATIONS POLICY

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INTRODUCTION

i. RATIONALE

The Pitcairn Islands General Store is obligated to operate under the authority of the Government of Pitcairn Islands (GPI). The Government of Pitcairn Islands is fully committed to ensuring that the Store's operations are conducted in an efficient, reliable, and honest manner, and that customer credit accounts, and debt recovery are proactively managed and significantly reduced.

ii. OBJECTIVE

The purpose of this policy is to provide clear guidance for the Pitcairn Islands General Store, ensuring that services are delivered efficiently and accurately, accounting practices are sound, and staff are managed effectively. The ultimate goal is to generate an acceptable level of profitability to facilitate future development.

For the purposes of this document, "The Store" refers to a GPI business entity primarily dealing with grocery and warehouse items.

iii. DEFINITIONS

Store Audit Team: refers to a group of GPI/HMG Employees who are designated to undertake monthly audits of the General Store's operations. The Store Audit Team comprises The Island Auditor, the NZ Police Officer, the Government Treasurer, and the Pitcairn Public Services Administrator.

ACTIVITIES

1.0. STORE STRUCTURE

- 1.1. The Store will trade under the title "Pitcairn Island General Store" or "The Store" in brief.
- 1.2. The Store is a GPI entity and a department within the Finance and Economics Division.
- 1.3. The Store will, at all times, manage the level of personal account debt.

2.0. MANAGEMENT

- 2.1. The 'Store Manager' is responsible for the financial management and overall running of the Store.
- 2.2. The 'Store Manager' is responsible for ensuring all customers are aware of conditions outlined within the Store's policy.

3.0. STAFF

- 3.1. Staff will be recruited according to the Store's needs and budgetary constraints.
- 3.2. All Store staff must adhere to relevant GPI policies and procedures and the GPI code of conduct.
- 3.3. All Store staff will be managed, and their performance measured against the requirements of their GPI Employment Contract.
- 3.4. No staff member under the age of 18 years may sell alcohol without supervision of senior staff.

4.0. TRADING HOURS

- 4.1. The Store will open at least three times per week for a time that meets customer needs and ensures administrative and operational duties are carried out for that day.
- 4.2. Only 2 keys for the Store will be held.
- 4.3. One key will be held by the Store Key Holder. The Store Key Holder will be a store employee previously designated and agreed by both the Store Manager and the DM Finance and Economics.
- 4.4. The Store Key Holder is the only person outside of normal hours who can open the store. They cannot hand this key to any other person, including store employees.
- 4.5. One key will be held by the external Police Officer. This key is only to be used in a Police Emergency, for example a fire.
- 4.6. Openings outside of normal hours, for emergency goods, is at the discretion of the Store Key Holder.

5.0. INVENTORY

- 5.1. In conjunction with the PIO, stock is purchased through agreed NZ suppliers.
- 5.2. Previous sales history or re-order points are used to determine type and quantity of stock ordered.
- 5.3. Occasional cruise ship purchases – Cash for payment is issued via the GT. An invoice from the ship must accompany the purchase and a copy given to the GT. Purchased stock must be recorded in the POS system and follow store mark-up structure.
- 5.4. No purchases will be made from Mangareva until a formal 'Trade Agreement' is in place.
- 5.5. Any supplies which have not been ordered, but are received by The Store, will be processed and entered into the POS system as store-stock, without exception.

6.0. PRICING

- 6.1. Store stock will carry the following mark-ups on cost price:

Bike parts and petrol	5%
Alcohol and tobacco products	45%
All other items	35%

- 6.2. Large volume items (e.g. solid water tanks, fridges, freezers) will be charged freight at the resident subsidised rate of NZ \$350.00 per cubic metre.
- 6.3. All stock will display current retail price. An appropriately displayed sign will advertise contents of freezers and the retail prices.

7.0. EXPIRED GOODS

- 7.1. Any expired goods are to be discounted within 1 month of reaching the expiration date.

8.0. CUSTOMER CREDIT ACCOUNT TERMS, PRIVATE ORDERS, AND DEBT RECOVERY

- 8.1.** Store credit accounts are limited to one per person/couple. No secondary accounts are permitted (e.g. business accounts, etc).
- 8.2.** Customer Credit accounts are limited to a maximum of NZ \$1,000.00 without exception.
- 8.3.** All new and existing account holders are required to sign the General Store Customer Credit Account Agreement form (Annex A). The Store Manager will be responsible to ensure that the General Store Customer Credit Account Agreement Form is completed and signed by existing and new customers and information shared with the GT.
- 8.4.** Any existing account holder who, on receipt of the General Store Customer Credit Account Agreement form, chooses not to sign the form, will have their Store credit facility withdrawn immediately and will be required to pay cash for all purchases.
- 8.5.** Customers with accounts in excess of the \$1000.00 credit limit are restricted to purchasing essential items only, paid by cash, without exception.
- 8.6.** Private Orders will only be placed for items that are not typically stocked by The Store.
- 8.7.** Private Orders will not be accepted from customers with outstanding accounts over NZ \$1,000.00, other than fruit, vegetables, and milk.
- 8.8.** Private Orders are to be charged to accounts immediately after the supply ship is unloaded and store processing is completed, without exception.
- 8.9.** The Store Credit Account Agreement form authorises the GT to deduct 10% of the Account Holder(s) GPI earnings as payment towards reducing their account debt when it exceeds the Store's NZ \$1000.00 credit limit.
- 8.10.** The Store will notify the GT, no later than the first day of a new month, to advise which customer accounts have exceeded the NZ \$1000.00 customer account credit limit. The GT will make the deduction from the account holder(s) GPI earnings at the monthly balance and provide the store with the amount paid and receipt number. The account holder is notified of the amount of the deduction via their monthly wage slip.
- 8.11.** A monthly statement of account will be sent to all account holders, within the first week of a new month, whether the account is in surplus or deficit.
- 8.12.** Government Departments are bound by the same trading terms as private customers.

9.0. SALES

- 9.1.** All sales are to be made through the Point of Sale (POS) system.
- 9.2.** If the POS is unavailable a detailed description of items sold, and payment made is recorded in an appropriate register for immediate entry into the POS system once available.
- 9.3.** Only store staff will access or operate the POS system.
- 9.4.** Every customer will be issued a transaction receipt on request.
- 9.5.** The sale of tobacco products and alcohol beverages can only be sold to customers legally able to buy them.

- 9.6. Sales to visitors will be recorded in an appropriate POS sales account but must be paid for in cash only.
- 9.7. Damaged, written off, expired or store use items must be recorded in a relevant account within the POS accounting system.

10.0. CLOSE OF DAY AND BANKING

- 10.1. The till floats shall be balanced at the close of each trading day.
- 10.2. Any monetary shortfalls or anomalies must be reported to and recorded by the Admin Manager or Store Manager.
- 10.3. Banking of cash with the Government GT will be done at the first opportunity after the trading day.
- 10.4. POS and Accounting systems are synchronised.

11.0. REPORTING

- 11.1. The Store Manager will submit a monthly report to the Division Manager comprising of no less than (1) Store Inventory Cost Total, (2) Store Sales, (3) Total owed by Debtors.

12.0. STORE AUDITS

- 12.1. The Store will be audited at the end of each month on a day and time determined by the Store Audit Team.
- 12.2. Store Audits will take place outside of Store Operational hours and must be completed prior to the Store reopening.
- 12.3. The Store Manager will ensure Auditor(s) or the PPS Administrator have unobstructed access to;
 - a. All electronic and hardcopy records;
 - b. Full inventory;
 - c. POS (Point of Sale) system;
 - d. Full accounting records.
- 12.4. The Store Audit Program, agreed by the Store Audit Team and Store Management, is attached as Annex B.

13.0. RECORD KEEPING

- 13.1. Books and records whether hardcopy or electronic will be kept on Store premises for a minimum of 7 years.
- 13.2. Electronic backups will be taken of Accounting, POS and all other electronic documentation after each store opening.

ANNEX A GENERAL STORE CUSTOMER CREDIT ACCOUNT AGREEMENT FORM

The following Terms and Conditions apply to the Customer Accounts:

5.0. INVENTORY

- 5.6. Private orders will only be placed for items that are not typically stocked by The Store.
- 5.7. Private orders will not be accepted from customers with outstanding accounts except by special arrangement with the Store Manager (see section 7 below).
- 5.8. Private orders will be charged to accounts immediately after the supply ship unload and store processing is completed, without exception.

7.0. CUSTOMER ACCOUNTS

- 7.1. 1 account per person/couple. No secondary accounts allowed e.g., business accounts.
- 7.2. All accounts have a credit limit of NZ \$1000.00
- 7.3. Purchases are cash only if the account is in excess of NZ \$1000.00
- 7.4. Private orders will not be accepted from customers with outstanding accounts over NZ \$1000.00 other than, fruit, vegetables and milk.
- 7.5. All new and existing account holders must sign the General Store Customer Account Agreement form which authorises the GT to deduct 10% of the customer’s GPI earnings for payment toward Store debt should the customer’s account exceed the NZ \$1000.00 allowable credit limit.
- 7.6. The Store will notify the GT, no later than the first day of a new month, to advise which customer accounts have exceeded the \$1000.00 threshold. The GT will deduct and make payments from GPI earnings immediately and provide the store with amount paid and receipt number.
- 7.7. A monthly statement of account will to be sent to account holders, within the first week of a new month, whether account is in a surplus or deficit.
- 7.8. Government Departments are bound by the same trading terms as private customers.

I/We agree to the General Store Customer Account-holder Terms and conditions A copy of this agreement will be held on file with the GT and the General Store

ACCOUNT NAME HELD AT THE STORE	INDIVIDUAL ACCOUNT HOLDER NAME(S)	SIGNATURE/S

Date:

ANNEX B GENERAL STORE AUDIT PROGRAMME

The General Store is a Government of Pitcairn Islands (GPI) entity and comes under the overall management of the Pitcairn Islands Office (PIO) via the Administrator, the Division Manager of Finance and Economics (DMF&E) and the authority of the Pitcairn Island Council.

Contracted GPI Employees (Store Staff) at the General Store carry out the day-to-day management of the store and report to the DMF&E.

The Island Auditor will arrange and consult with key Store Staff to agree upon a mutually agreeable time to conduct audits. The Island Auditor will have unimpeded access to all Store Documents. Additionally, the Island Auditor will have unimpeded access to the store computer as provided by the Store Administrator in-situ. The Store Staff will make available any documents the Island Auditor requests.

MONTHLY AUDIT PROGRAMME:

- Check cash flow statements to actual cash movements;
- Confirm closing cash balances to reports;
- Check and report on all outstanding debtor accounts;
- Confirm stock movement summaries appear reasonable;
- (Opening Stock, less sales, plus purchases Closing Stock);
- Ensure accurate financial information is being reported to the DMF&E and PIO within the agreed
- Timeframes (Within 3 working days after the end of each month where possible);
- Agree daily balance sheet totals;
- Agree all receipt book entries and monitor zero counter readings;
- Agree all entries on Monthly balance sheet;
- Agree all charges through invoices are accurate and paid;
- Report financially (e.g. owing, outside policy, etc).

STOCK TAKE:

Ongoing monthly commodity checks will be conducted, aiming to cover all lines over a twelve months period.

PERIODIC INTERIM VISITS:

- Confirm implementation of Freight Policy;
- Confirm list of items exempt from the standard store mark-up percentage;
- Stock policy and implementation;
- POS system. Including backups, data input, and accurate record keeping. Randomly price and commodity check;
- Check private orders and sales invoices.