

**ST HELENA**  
**PUBLIC ACCOUNTS COMMITTEE**  
**NOVEMBER 2017 to NOVEMBER 2018**  
  
**ANNUAL SUMMARY REPORT**

## FOREWORD FROM THE CHAIRMAN

The Public Accounts Committee has an important role in effective oversight of public finances following the public pound.

The St Helena PAC has transformed significantly over the years with its capability steadily increasing. The Annual Summary Report dated February 2019, which is the first to be published is testament to this, and we will endeavour to make this an annual activity.

The evidence shown in this summary highlights the work that PAC carries out in the development of ensuring openness and transparency, in public financial management and I believe the lines of accountability in government has been strengthened.

We follow very closely the ‘Good practice in effective oversight of public finances in the UK Overseas Territories’ guide launched in February 2017. In March 2017 the Chair attended the inaugural project launch of a three-year, FCO funded, technical assistance programme in Miami, and resulting from this the St Helena PAC has received very valuable training.

The PAC is immensely grateful to the FCO and the UK CPA for organising these activities and to the other UK Overseas Territories for their involvement.

# CONTENTS

---

BACKGROUND .....	4
MEMBERSHIP .....	5
WORK OVERVIEW .....	6
KEY CHALLENGES .....	11

## **BACKGROUND**

This report provides a general overview of the past year's business undertaken by the St Helena Public Accounts Committee (PAC).

The PAC is established under section 69 of the Constitution of St Helena, Ascension and Tristan Da Cunha and operates under Order 23 of the Standing Orders of Legislative Council.

In accordance with Standing Order 23, the functions of the Committee are:

(a) to consider, and to report thereon to the Council as often as, in the opinion of the Committee, it is in the public interest to do so, but not less than once in every year:

(i) published annual accounts of the Government and such other accounts as are from time required under any rule of law to be laid before the Legislative Council; and

(ii) management letters issued by the Chief Auditor on the accounts of the Government, and such other management letters issued by the Chief Auditor as are required to be laid before the Legislative Council on other accounts; and

(iii) any summary reports issued by the Chief Auditor for the Committee in relation to any examination by him relating to the economy, efficiency and effectiveness of any Government department or public body; and

(iv) any other matter of importance or urgency which, in the opinion of the Chief Auditor, is required to be brought to its attention; and

(b) to request that the Chief Auditor, or any other suitable person or review body, conducts specific examinations relating to any element of the economy, efficiency and effectiveness of any Government department or public body.

Under S69 (5) of the Constitution, PAC has the power to invite any person to assist in its work and participate in its proceedings and S69 (8) states the PAC is then required to report on its work to Legislative Council. Under S69 (10) PAC acts independently and is not subject to the direction or control of the Governor, the Executive Council, or any other person or authority.

## **MEMBERSHIP**

The Membership of the PAC comprises:

Chairman: Mr Cyril Gunnell (Appointed by the Governor)  
Vice Chairman: Mr Mark Yon (Appointed by the Governor)  
Members: Hon Dr Corinda Essex (Elected from Legislative Council)  
Hon Clint Beard (Elected from Legislative Council)  
Hon Brian Isaac (Elected from Legislative Council)

The PAC is advised professionally by the:

Chief Auditor: Mr Phil Sharman

and assisted by the:

Performance Audit Manager: Mr Anesu Makamure

The PAC is supported by the:

Clerk: Miss Anita Legg

## **WORK OVERVIEW**

### PAC Visit to the Isle of Man and Westminster, London

CPA UK has formed a consortium with the UK National Audit Office (NAO) and the UK Government Internal Audit Agency (GIAA) to deliver a three-year programme of activities to support parliamentarians and audit officials from the UK Overseas Territories and UK in public financial management. Activities are tailored to fit the specific context and demand of each Territory. At the inaugural project launch (CPA UK and UKOT Parliamentary Forum) in Miami, in March 2017, the Chair of the St Helena PAC requested support around skills based training.

As a result, in November 2017 a UK-based exposure programme was built for the St Helena PAC, tailored to strengthen the PAC, which included, understanding the PAC and its work, enhancing their profile, sessions on evidence taking and questioning techniques and monitoring the implementation of PAC recommendations. The Chair, Cyril Gunnell, Vice Chair, Mark Yon, Clerk, Anita Legg and Members: Councillor Beard and Councillor Isaac, along with Councillor Gavin Ellick, participated in a programme at Tynwald, Isle of Man, and Westminster in London; this was organised by CPA UK and funded by the UKOT Project.

The delegation found their visit beneficial, in increased knowledge of PAC international good practices and the impacts will be shown by general improvements in the way PAC operates over time. A full report by the CPA UK can be found on the SHG website.

PAC Member, Councillor Essex was unable to join the delegation however was hosted in Westminster in October 2017 in lieu of being able to attend the November PAC Programme; Cllr Essex also found this visit beneficial. Councillor Ellick, nominated by his colleagues agreed to join the delegation in her place, which proved an enlightening and enjoyable exposure with the PAC.



Following this visit, the PAC Chair, Vice Chair and Clerk remained in London, in December 2017, to attend the Westminster Workshop for Public Accounts Committees and the CAPAC, at the Houses of Parliament to further develop practical skills.

This workshop also proved beneficial with the bonus of being able to interact with colleagues from other countries.



#### PAC Report to Legislative Council on the Formal Session of Public Accounts Committee Held on 15<sup>th</sup> and 26<sup>th</sup> of January 2018

This was the first occasion on which the PAC had met in formal session since its re-establishment in August 2017 following the General Election.

PAC considered Sessional Paper 40/17 – Statements of Expenditure in Excess for 2016/17. On 15<sup>th</sup> January PAC called the Acting Financial Secretary, the Director of Health, and the Assistant Chief Secretary supported by the Assistant Secretary from Corporate Support, to provide evidence. The Director of Health later attended an informal session, in camera, on 26<sup>th</sup> February 2018 to give further clarity on various points. On 26<sup>th</sup> January the Director of Environment & Natural Resources was called to give evidence on his directorate. At this session the Assistant Chief Secretary and the Assistant Secretary were also recalled to provide more detailed information on Corporate Support expenditure.

Due to the laying of Sessional Paper 12/18 on 23<sup>rd</sup> March 2018, comprising revised Statements of Expenditure in Excess for 2016/17, the Director of Health and Director of ENRD were recalled to the formal session held on 14<sup>th</sup> May 2018 to explain the differences.

A PAC report with recommendations was then compiled and laid as Sessional Paper 38/18 at the Legislative Council meeting held on 27<sup>th</sup> July 2018, which can be found on the SHG website.

## Clerk Attachment to St Helena PAC

The next UKOT Project activity for the St Helena PAC involved a Clerk from the UK working with the PAC in-territory to provide assistance to support its effective operation. Ms Fay Bowen, Clerk to the Public Accounts Committee at the National Assembly for Wales was selected to undertake this attachment. On 5<sup>th</sup> May Fay arrived on island to deliver training through practical support to the Chair, Members, Clerk and official advisors of the PAC.



Short sessions for Legislative Council and other officials were also arranged and the full programme can be found on the SHG website.

Both the Welsh clerk and the St Helena PAC were able to benefit from this attachment. PAC was able to gain more confidence and awareness of what was needed to carry out their work more effectively. Having the Welsh Clerk sit in on formal session and provide real-time feedback on how PAC approached questions and answers was also very helpful and will go a long way in helping members improve their techniques. In addition the Clerk was able to gain insight into committee management processes, including the preparation, launch, implementation, and reporting of inquiries. The Welsh Clerk was impressed with the thorough preparation for meetings, carried out by the St Helena PAC and stated she would be keen to implement this in the Welsh Assembly.

## PAC Report to Legislative Council on the Formal Session of Public Accounts Committee Held on 14<sup>th</sup> and 15<sup>th</sup> of May 2018

The PAC met in formal session for the second time on 14<sup>th</sup> and 15<sup>th</sup> of May 2018.

On 14<sup>th</sup> May, senior officers from Corporate Finance were called to give evidence on the St Helena Government (SHG) 2016/17 Audited Annual Financial Statements and Management Letter. The Directors of St Helena Hotel Development Ltd were also called to give evidence on their 2016/17 Audited Annual Financial Statements.

On 15<sup>th</sup> May PAC called the CEO of Connect Saint Helena Ltd, the Chief Executive for Economic Development of Enterprise St Helena, and the Managing Director of the Bank of St Helena, along with their respective colleagues, to give evidence on their financial statements for 2016/17.

A PAC report with recommendations was then compiled and laid as Sessional Paper 45/18 at the Legislative Council meeting held on 26<sup>th</sup> October 2018, which can be found on the SHG website.

PAC Report to Legislative Council on the Government Response to the PAC Recommendations in Sessional Paper 36/18

As a matter of course PAC reviewed the responses from SHG to their recommendations, in terms of adequacy and progress. This involved consideration of new and older recommendations, in order to determine whether they were disputed, should remain open or be closed.

A PAC report with an appendix of all recommendations was then compiled and laid as Sessional Paper 47/18 at the Legislative Council meeting held on 26<sup>th</sup> October 2018, which can be found on the SHG website.

PAC Report to Legislative Council on the Formal Session of Public Accounts Committee Held on 29<sup>th</sup> of August 2018

On 29<sup>th</sup> August 2018, PAC met in formal session for a third time, with the following agenda items:

The Chief Secretary and Financial Secretary were called to give evidence on the Corporate Governance of SHG Group Entities Performance Audit Report;  
The Commissioners of Currency were called to give evidence on the St Helena Currency Fund 2016/17 Audited Annual Financial Statements & Management Letter;  
The Financial Secretary, Deputy Financial Secretary and General Manager (Agencies) of Solomons were called to give evidence on the Bulk Fuel Installation 2016/17 Audited Annual Financial Statements;  
The President, Director and Officers of the St Helena National Trust were called to give evidence on their 2015/16 & 2016/17 Audited Annual financial Statements and  
The St Helena Fisheries Corporation Board of Directors were called to give evidence on their 2016/17 Audited Annual financial Statements.

On 28<sup>th</sup> August Solomon & Company (St Helena) Plc had been called to give evidence on their published Audited Annual Financial Statements and Report for 2016/17. However on the advice of the Attorney General, it was later decided these accounts would be held in abeyance, as the current statutory remit of the PAC did not extend to this company. PAC are currently pursuing legislative amendments to update their functions and rules of procedures.

A PAC report with recommendations was then compiled and is still to be laid as a Sessional Paper at the next Legislative Council meeting, due to be held on 8<sup>th</sup> March 2019.

PAC examination of accounts for the year 2016/17 has now been completed and the committee commenced examination of the 2017/18 accounts in January 2019.



## CHALLENGES

The support to the development of the PAC through the CSSF funded project on financial oversight and audit in the UK Overseas Territories has been significant. However whilst aspiring to the good practice as outlined in the UKOT guide published in February 2017, and subsequently emphasised in the technical assistance programme, the PAC has identified a number of practical challenges to its effective operation.

Some of these particular challenges are highlighted below:

- PAC finds it increasingly difficult to operate without a full quorum, in accordance with section 69 (1) of the Constitution
- A permanent alternate PAC member would solve often needed, temporary replacements, in terms of conflicts of interest however currently this is unlawful
- PAC would like to focus on current topics, particularly within the DFID Financial Aid
- Currently examination of some public expenditure on state owned bodies fall outside of the PAC remit therefore legislative amendment is needed
- Although there is increasing public and SHG awareness about the importance and responsibilities of the PAC, more still needs to be done on enhancing the PAC profile
- Obtaining timely responses to PAC recommendations is challenging albeit that the Financial Secretary has undertaken to provide periodic updates through to Legislative Council.

Public Accounts Committee  
St Helena  
February 2019