



St Helena
Government

ST HELENA PUBLIC ACCOUNTS COMMITTEE

REPORT TO LEGISLATIVE COUNCIL ON THE
FORMAL SESSION OF THE PUBLIC ACCOUNTS
COMMITTEE HELD ON 2 MARCH 2026

Laid Upon The Table 7th May 2026

St Helena Public Accounts Committee

Report to Legislative Council on the Formal Session of the Public Accounts Committee held on Monday, 2nd March 2026.

1. Introduction

In accordance with Section 106(2) of the Constitution of St Helena, Ascension and Tristan da Cunha, the Public Accounts Committee (PAC) hereby reports to Legislative Council on the First Formal Session of the Committee, held on 2nd March 2026, to examine the St Helena Government Statement of Expenditure in Excess for the Financial Year 2024/25.

Membership of the Committee comprised:

Chairman:	Mr Mark Yon
Deputy Chairman:	Mr Bramwell Bushuru Lumukwana
Members:	Hon Clint Beard
	Hon Dr Corinda Essex
	Hon Derek Thomas

The Committee is advised professionally by the Chief Auditor, Mr Brendon Hunt, assisted by Acting Deputy Chief Auditor, Mrs Petronella Chemhere and administrative support is provided by the Clerk, Miss Anita Legg.

A transcript of these proceedings will be made available in the Public Library and on the St Helena Government (SHG) website at <http://www.sainthelena.gov.sh/public-accounts-committee/>.

2. Order Paper – First Formal Session 2026, Monday, 2nd March 2026

I. Chairman’s Address

**II. St Helena Government – Statement of Expenditure in Excess (Amended),
Financial Year 2024/25 (S.P. 1/26)**

I. Chairman's Address

The Chairman opened the meeting and welcomed all in attendance and everyone listening via radio and live streaming.

As is customary, the Chairman explained the Constitutional role of PAC in accordance with Section 69 of the Constitution of St Helena, Ascension and Tristan da Cunha and Standing Order 26. He went on to explain the Committee's primary function which is to objectively scrutinise how the Government spends the public purse and advised further that the PAC is protected to act independently and is not subject to the direction or control of the Governor, the Executive Council, or any other body or authority and, has power to call any person to give evidence orally.

The composition of the Committee together with the key advisory and administrative support roles were then highlighted.

The Chairman reported that a new PAC was constituted in October 2025 following the General Election and extended a warm welcome to new and returning Members. He also expressed sincere thanks to former PAC Members, for their valuable contributions.

He then explained the differences between the operations of the Public Accounts Committee and Select Committees 1 and 2, mentioning also the PAC's forward work programme. Finally, the Chairman referred to the recent incident that led to the closure to commercial air services at St Helena Airport and PAC's intention to examine the incident, whether directly or indirectly, as part of its oversight responsibilities.

The Chairman moved on to explain the business under scrutiny, being the first public PAC hearing for 2026.

In concluding the formal session, he extended thanks to all officials for attending and providing evidence, and added that PAC would evaluate the evidence heard and submit a report to Legislative Council on its findings, together with any recommendations. He also thanked the listening public for their interest in the work and activities of the St Helena PAC and expressed the Committee's gratitude to the South Atlantic Media Services for providing live coverage of the Inquiry.

The evidence taken at the First Formal Session of PAC for 2026 is summarised below.

II. St Helena Government – Statement of Expenditure in Excess (Amended), Financial Year 2024-25 (S.P. 01/24)

Legislative Council approves a budget each year giving Accounting Officers the express authority to incur expenditure in the provision of public services to the approved budget limit on each Head. Where at the end of the financial year the approved limit is exceeded for whatever reason, the Constitutional provisions in Section 106 require that a statement of expenditure in excess be prepared.

Section 106 of the Constitution states:

“Where at the close of accounts for any financial year it is found that monies have been expended on any expenditure vote in excess of the amount appropriated for it, or for a purpose for which no monies have been appropriated, the amount of the excess expended, or not appropriated, as the case may be, shall be included in a statement of expenditure in excess, which shall be laid before the Legislative Council and referred to the Public Accounts Committee”.

Accordingly, Sessional Paper 52/2025 entitled St Helena Government Statement of Expenditure in Excess, for the Financial Year 2024/25 was laid before the Legislative Council on 24 October 2025 and in addition, Sessional Paper 1/2026 entitled St Helena Government Statement of Expenditure in Excess (Amended), for the Financial Year 2024/25 was laid before the Legislative Council on 5 February 2026. Both Sessional Papers were referred to the Public Accounts Committee.

Sessional Paper (1/2026) is an amended version that reflects the updated expenditure amount and therefore supersedes Sessional Paper 52/2025 therefore Sessional Paper 1/2026 became the primary focus of the hearing.

The PAC examined one Head of Expenditure, namely **Head 18: Police Operations**, which was an unusual and complex matter involving cross-territorial activity between the Governments of St Helena and Ascension Island.

PAC received explanations and assurances for the above-mentioned enquiries and a transcript of the proceedings from 2nd March 2026 will be made available in the Public Library and on the St Helena Government website at

<http://www.sainthelena.gov.sh/public-accounts-committee/>.

Based on the responses provided by officials, the below main conclusions were drawn, with recommendations proposed following PAC deliberations.

Main conclusions

Unforeseen expenditure in excess of £54,102 (adjusted from £44,482) on Police Operations arose from unbudgeted costs related to Ascension Island Government (AIG) policing responsibilities, revealing gaps in forecasting, inter-jurisdictional budgeting controls, and timely identification of overspends despite reimbursement by AIG. The Committee concluded that the expenditure in excess for the Police Directorate totalled £54,102 (recurrent), as adjusted in Sessional Paper 1/2026 (superseding Sessional Paper 52/2025 by an additional £9,620). This excess stemmed primarily from costs associated with policing support to Ascension Island under a Memorandum of Understanding (MOU) between SHG (via Royal St Helena Police Service – RSHPS) and AIG. The excess was not isolated but reflected broader challenges in forecasting inter-jurisdictional commitments.

The Committee found that the expenditure was not adequately forecasted or included in the original 2024/25 Appropriation Bill or the three Supplementary Appropriation Bills for the year. Witnesses (including the Financial Secretary) indicated that while an amount was appropriated for Ascension-related police costs, actual expenditure exceeded this allocation. The Committee noted a lack of clarity on why these costs were not fully anticipated, despite the existence of an MOU and a related Service Level Agreement (SLA) for day-to-day matters (including budgeting), as referenced in the 30th August 2023, SHG press release.

The Committee established that the excess is ultimately reimbursable by AIG, with detailed breakdowns provided on the claim submitted to AIG. However, the Committee expressed concern that SHG incurred and reported the excess before full reimbursement, highlighting that SHG bears initial financial and accountability responsibility under public finance rules. The Financial Secretary clarified that claims include itemised details (e.g. travel, staffing), but the Committee noted stakeholder reservations i.e. the AIG Acting Director of Resources about accepting the £54,102 figure without prior detailed breakdowns. The Committee further concluded that uncertainty remains as to whether the excess expenditure will be reimbursed by AIG.

The Committee concluded that existing controls to prevent Heads of Expenditure incurring excess (e.g. budgetary monitoring, virement processes) and to identify overspends quickly were insufficient in this case. The Financial Secretary was typically notified of excesses after they occurred, and the specific Police excess was identified late in the financial year (exact timing and responsible party not fully detailed in the session). This points to weaknesses in real-time monitoring, shared network access for portfolio directors, and government oversight of bi-jurisdictional arrangements contained in this MOU.

The Committee found that Treasury has limited direct involvement in accounting for costs under MOUs unless they impact SHG's consolidated accounts. However, the Committee questioned the adequacy of processes for maintaining and storing cross-portfolio/jurisdictional records (including MOUs) to ensure consistency, accessibility, and compliance with Public Finance Ordinance requirements. The Financial Secretary

outlined planned improvements for 2026/27 budgeting (e.g. better forecasting of Ascension-related costs via supplementary appropriations). The Committee welcomed these but concluded that interim measures are needed to prevent recurrence in 2025/26, particularly given the March supplementary appropriation opportunity to address any further Ascension over-runs. The Committee emphasised the need for proactive controls until long-term arrangements are formalised.

The unbudgeted £54,102 excess on Police Operations arose from unanticipated Ascension Island Government policing costs under an existing Memorandum of Understanding, exacerbated by late identification, inadequate forecasting in supplementary appropriations, and poor communication between SHG portfolios and AIG, despite ultimate reimbursement. The Committee concluded that no AIG-related police expenditure was included in the 2024/25 Supplementary Appropriation Bills, as confirmed by Financial Secretary, Dax Richards. This omission occurred because actual costs were not fully known at the time of preparing the supplementary bills, leading to the excess being reported only after the financial year-end via Sessional Paper 1/2026.

The Committee found that the excess was not forecasted or flagged during the year, despite monthly budget execution reports and quarterly management accounts intended to identify potential overspends. Accounting officers are responsible for early notification to the Financial Secretary, but this did not happen promptly. The Committee noted that the process relies on portfolio-level monitoring, which failed to capture escalating AIG-related costs in time to seek virement or supplementary approval.

The Committee established that the Financial Secretary was typically notified only when accounting officers became aware of impending excess, often late in the process. In this case, the excess was identified and raised formally very late (AIG representatives learned of it only the week before the PAC session). This delay prevented proactive inclusion in appropriations and highlighted gaps in real-time financial visibility for portfolio directors.

The Committee concluded that the MOU between SHG (via Royal St Helena Police Service) and AIG, along with the related Service Level Agreement for day-to-day policing matters (including budgeting), did not include robust mechanisms for joint forecasting or timely cost-sharing updates. While SHG bears initial responsibility for incurring and reporting costs (with AIG reimbursement via claims), the lack of early liaison with AIG allowed the excess to accrue without joint oversight. The Committee noted that claims include detailed breakdowns, but these were not shared or reviewed until after the excess occurred.

The Committee expressed concern over the failure to raise the impending excess with AIG earlier. When questioned Treasury clarified that such discussions are typically left to the portfolio rather than Central Treasury, but the Committee concluded this fragmented approach contributed to the surprise element for AIG and delayed resolution. AIG's urgent treatment of the claim post-notification was acknowledged, but

the Committee highlighted the need for proactive SHG-AIG dialogue when costs approach or exceed appropriations.

The Committee noted that the excess should be fully reimbursable by AIG upon submission and verification of the claim, reducing net fiscal impact on SHG. However, SHG remains accountable for incurring unauthorised excess under the Constitution. The Committee concluded that while reimbursement mitigates financial risk, it does not excuse the lack of internal controls to prevent or flag the overrun sooner. The Committee found that existing controls (e.g. monthly/quarterly reporting, accounting officer notification duties) were inadequate and not effectively applied in this instance, particularly for inter-jurisdictional commitments like AIG policing support.

The £54,102 Police excess (adjusted upward by £9,620 in Sessional Paper 1/2026) carries reimbursement risk from AIG due to late claim submission and unbudgeted items, while SHG's failure to trigger timely investigations or surcharge under Public Finance Ordinance Section 19 highlights significant weaknesses in controls and accountability for inter-jurisdictional overspends. The Committee concluded that there is a significant risk AIG could reject or partially reject SHG's claim for the excess, as AIG representatives had not yet received or reviewed the detailed breakdown at the time of the formal hearing. AIG's prior experience with claims (e.g. reviewing travel costs and medical evacuations) shows they scrutinise items rigorously, and unbudgeted or disputed costs (e.g. £10,000 medical evacuation for a spouse, freight for repatriation from Canada, or officer taxes/income tax disputes) could lead to reductions. The Financial Secretary acknowledged that AIG would review in due course and challenge any non-compliant items, but the Committee expressed concern that SHG's initial outlay leaves it exposed if reimbursement is withheld or delayed.

The Committee noted evidence of specific high-cost items contributing to the excess, including a £10,000 medical evacuation (overseas medical organised by SHG but not covered by AIG due to unresolved income tax discussions), freight for repatriating an officer to Canada, and travel costs exceeding AIG's internal figures (£38,000 vs. £25,000 claimed). The AIG Acting Director of Resources clarified that some items (e.g. medical costs) were discussed with prior directors but unresolved due to rushed processes and insufficient information. The Committee concluded these reflect poor coordination under the MOU/SLA and highlight the need for clearer cost allocation rules.

The Committee concluded that the Financial Secretary has not yet fully investigated the excess as required by Section 19(1)(a), nor prepared a detailed report on investigation procedures, as per prior PAC recommendations SP 25/2024, Recommendation 5). No report has been submitted to the Audit and Risk Committee (Recommendation 6), and there is no evidence of surcharge consideration despite the excess being unauthorised at the time incurred. The Committee noted that while reimbursement by AIG mitigates net impact, it does not absolve SHG accountability for incurring excess without appropriation.

The Committee found ongoing weaknesses in controls to prevent errors (e.g., virement adherence, penalties) and ensure real-time financial visibility, as portfolio

directors (e.g. Safety, Security & Home Affairs) lack direct access to up-to-date actuals and forecasts on the SHG shared network (as per recommendation 7 from SP 25/2024). Treasury has not fully updated accounting policies for virement oversight (Recommendation 8). The late identification (AIG only learned the week before the formal hearing) and fragmented communication (portfolio-led vs. Treasury-led) exacerbated the issue.

The Committee concluded that the MOU/SLA framework lacks robust mechanisms for joint forecasting, early cost flagging, and dispute resolution on items like medical/relocation expenses. AIG's limited prior reviews were insufficient, and rushed processes prevented thorough assessment. The Committee emphasised that SHG must engage AIG proactively when costs approach budgeted limits to avoid surprises and potential rejections.

The Financial Secretary has no intention to apply surcharge under Public Finance Ordinance Section 19 for the £54,102 Police excess, citing expected full reimbursement by Ascension Island Government (AIG), but the absence of a formal investigation report, non-reporting to the Audit and Risk Committee, and non-implementation of prior PAC recommendations (SP 25/2024) reveal ongoing gaps in accountability and regulatory compliance for unauthorised expenditure.

The rationale given by the Financial Secretary is that the excess is expected to be fully reimbursed by AIG following claim submission and reconciliation, meaning SHG incurs no net financial loss. The Committee noted this pragmatic approach but highlighted that reimbursement does not automatically negate accountability for incurring unauthorised excess before appropriation or supplementary approval.

The Committee found that no dedicated investigation into the circumstances of the excess has been conducted as contemplated by Section 19, nor has a report detailing investigative procedures been prepared to support the no-surcharge decision, contrary to PAC Recommendation 5 from Sessional Paper 25/2024. The Financial Secretary indicated that awareness of the excess only arose through the standard expenditure-in-excess process (late in the cycle), but the Committee concluded this reactive stance falls short of proactive due diligence required for potential surcharge cases.

The Committee established that the matter has not been reported to the Audit and Risk Committee, the body responsible for overseeing compliance with regulations and ordinances, as required by PAC Recommendation 6 of SP 25/2024. This omission limits independent assurance that management actions align with statutory obligations, particularly given the inter-jurisdictional nature of the excess and the risk of partial/non-reimbursement by AIG.

The Committee noted limited progress on related Recommendations from SP 25/2024, including:

- No confirmation of real-time shared network access for portfolio directors (Recommendation 7) to enable earlier detection of overspends.

- Treasury has not updated accounting policies to incorporate enhanced oversight of virement processes and related penalties (Recommendation 8). Treasury however stated that they disagreed with the content and intention of Recommendation 8. The Committee expressed concern that these unaddressed issues contributed to the late identification of the excess and could recur in future inter-jurisdictional commitments.

While the Financial Secretary reiterated that AIG reimbursement (via detailed claim review) prevents net loss to SHG, the Committee concluded that this does not fully address the governance failure of allowing excess to accrue without timely escalation, virement, or supplementary appropriation.

The Committee observed that, under the Constitution and Public Finance Ordinance, there is no mandatory process requiring penalties for incomplete warrant/virement assignments in this context. However, the Committee concluded that non-application of surcharge procedures risks weakening financial discipline, especially for recurring AIG-related costs, and may warrant revisiting by the PAC.

The Committee acknowledged and valued the contributions of the former Chief of Police (COP) (who was the accountable officer during the period under review) of Royal St Helena Police Service (RSHPS) and reached the following conclusions (noted as being additional to evidence already obtained from other sources) thereafter. The former COP provided the Committee with the historical issues that prompted the need for a MOU in the first instance. The former COP confirmed that he had not been made aware of the overspend up to the point that he had left the Island in September 2025, being a full 6 months after year end. With this context in mind, the PAC questioned why it would take SHG so long to notify accounting officers of overspends and initiate the Section 106 expenditure in excess process. In September 2024, an independent review of the RSHPS was carried out at the request of the Governor by the FCDO Policing Advisor. This review should have provided a clear view of policing on both islands. However, no report on the inspection's findings were shared with him before his departure in September 2025. The COP provided the PAC with important additional context to the reasons for the additional expenditure in excess as being a result of staffing issues, medical expenses and forensic examinations that required specialist services. The former COP confirmed that he had been provided with access to the accounting system and expressed concern that this access had not been provided to officers currently acting in post.

Recommendations

In relation to its scrutiny of Sessional Paper 01/2026 – Statement of Expenditure in Excess (Amended), Financial Year 2024/25, **PAC recommends that:**

1. The £54,102 spent in excess of the recurrent budget appropriation under the Head of Expenditure: Police stands charged to public funds, on the condition that Ascension Island Government provides full reimbursement of the £54,102 claimed by St Helena Government.
2. The MOU between SHG and AIG to be updated to include:
 - a) An updated yearly charge to provide this service to Ascension or provide the mechanism by which this yearly charge is agreed to by all parties on a yearly basis.
 - b) The listing of the type of expenses falling under the remit of the MOU be expanded to include expense types which have historically given rise to uncertainty.
 - c) The process to be followed in the event that actual expenditure exceeds the forecasted budget.
3. SHG establish a transparent and streamlined process to submit claims and invoices to AIG which should incorporate a provision that claims should not be submitted later than a period of 2 months after the end of any quarter.
4. Following the centralisation of functions under the Fit For The Future (FFTF) programme, all accounting officers are made aware of their budget monitoring and forecasting responsibilities.
5. SHG implement PAC Recommendation 7 contained in SP 25/2024 and thereby provide accounting officers and directorates with real-time access to the SHG network and accounting system.
6. The Financial Secretary conduct an investigation, and document the results thereof, into the underlying reasons for this excess expenditure under the provisions of Section 19 of the Public Finance Ordinance.
7. SHG complete the independent review of RSHPS carried out in September 2024 and provide oversight bodies with a copy of the published report.

3. Concluding Remarks

The Public Accounts Committee acknowledges the work of the Chief Auditor and staff at Audit St Helena in assisting with the production of this Sessional Report to Legislative Council. The Committee also thanks attending officials from the St Helena and Ascension Island Governments, the Head of the Governor's Office, and representatives of the Royal St Helena Police Service for providing evidence in response to our lines of inquiry.

This Sessional Report on the Public Accounts Committee's examination of the St Helena Government Expenditure in Excess (Amended) for the Financial Year 2024/25, held on Monday, 2nd March 2026 is hereby authorised for issue to Legislative Council, pursuant to Section 106(2) of the Constitution of St Helena, Ascension and Tristan da Cunha.



Mark Yon
Chairman
St Helena Public Accounts Committee

29 April 2026

