



**St Helena
Government**

ST HELENA GOVERNMENT

**RESPONSE TO RECOMMENDATIONS ON THE PUBLIC
ACCOUNTS COMMITTEE RECOMMENDATIONS AND
PROGRESS REGISTER AS AT 15 MARCH 2018**

Laid on the table 23rd March 2018

ST HELENA GOVERNMENT RESPONSE TO RECOMMENDATIONS ON THE PUBLIC ACCOUNTS COMMITTEE RECOMMENDATIONS AND PROGRESS REGISTERS AS AT 15 March 2018

The Financial Secretary in his capacity as the responsible member of Executive Council submits an update on the action that has either been taken or is planned in response to recommendations contained in the reports of the Public Accounts Committee which have been adopted by Legislative Council.

In accordance with Section 69 (9) of the Constitution of St. Helena "If the Legislative Council adopts a report of the Public Accounts Committee, and requests the responsible member of the Executive Council to advise the Legislative Council of the action proposed to be taken by the Government of St Helena in respect of the report, the member concerned shall convey the Government's response to the Council not later than the first sitting day following the expiration of six weeks after the date of the Council's request, unless the Council extends the time for the response.

This report provides responses to the recommendations in Session Paper 06/18 and an update on previous recommendations.

Recommendations will continue to be reported upon until such time as the Public Accounts Committee has confirmed that it is their view that the recommendation has been implemented.

The table below explains the colour coding applied by the Public Accounts Committee for the disposal of recommendations.

Accepted – but matter not fully implemented and remains open for action in monitor.
Disputed – requires reconsideration and therefore remains open to monitor.

Open Register updated with Responses as at 15 March 2018

No	Date Reported to LEGCO by PAC	Body/Name of report	Recommendation	Responsibility	Response	PAC view on status of Recommendations
1	07/10/2014	ESH	ESH should place more emphasis on output and outcome measures both in strategic plans and in non-financial performance reporting.	Chief Executive for Economic Development	ESH as a new organisation is continually developing procedures and policies to ensure that our outcomes are measurable and in line with our refocus. We have also in the past year registered with the Institute of Economic Development (IED) in the UK and currently working towards achieving "excellence in economic development". This will be placed on the internal audit programme once the Internal Auditor is in place. Updated response January 2018 - See response to related recommendation number 107.	Open - Need to evaluate non-financial performance reporting in 2016/17 annual report.
2	07/10/2014	ESH	ESH will need to develop management information systems to capture timely and accurate information for internal management and external performance reporting to stakeholders.	Chief Executive for Economic Development	ESH has implemented systems and processes to ensure that reporting is accurate and received in a timely manner in order to report accurately to all our stakeholders. We have also implemented a new post, Quality Standards and Information Manager to ensure that this process is done. This will be placed on the internal audit programme once the Internal Auditor is in place. Updated response March 2018 – PAC view and proposed action noted.	Open
3	07/10/2014	ESH	ESH should use the commissioning relationship with provider organisations to require data returns, which measure not only inputs but also outputs and measures of impact.	Chief Executive for Economic Development	ESH is continually developing procedures and policies with the various organisations to ensure that data is returned timely and accurately in order to show the impact of the investment to that organisation. Achieving excellence in economic development will assist this process. This will be placed on the internal audit programme once the Internal Audit is in place. Updated response March 2018 – PAC view and proposed action noted.	Open
29	29/04/2015	St Helena Fisheries Corporation	Internal management capacity remains a concern and the appointment of a counterpart General Manager will be required if the Corporation is to continue going forward.	SHFC Management Board	Partial implementation. Updated response December 2017 – the Board has appointed a General Manager who will be supported by an Operations Manager with effect from December 2017. Updated response January 2018 – The Operations Manager has been in place as of the 7th December 2017. SHFC has made a bid for funding for a Business Manager and is awaiting confirmation on whether bid was successful.	

31	29/04/2015	St Helena National Trust	The Trust plans to report audited accounts within six-months of the financial year end and requests a standing extension from the Governor until such time as section 18(1) of the Ordinance may be amended.	Trust Director & President	The Trust President and Director are currently reviewing the Ordinance with a view to suggesting amendment to section 18(1) along with a number of other amendments Amendment bill drafted and provided to Social & Community Development Committee for consideration. Trust President and Director are continuing to pursue this through the channels as directed by the Attorney General and Elected Members with a view to the amendment being taken to formal Legco soon. Updated response March 2018 – The Social and Community Development Committee is awaiting feedback from the Governor.	Open
33	29/04/2015	St Helena National Trust	The Trust reviews requirements for reporting on individual donor funded projects, to ensure that specific conditions are met in respect of any project completion audits, required by donors, in addition to the Trust financial statements.	Trust Director	In progress. The requirements for reporting on individual donor funded projects are reviewed to identify specific conditions that may not be met by the annual financial statement audit. Updated response March 2018 – PAC view and proposed action noted.	Open
36	29/04/2015	St Helena Government	The MTEF process is maintained with the objective of establishing a 3-year financial budget for SHG	Financial Secretary	Implemented. MTEF approach is embedded in SHG's processes with the objective of establishing a three year budget. SHG continue to prepare budgets for a three year period however only a one year settlement was agreed with DFID for 2017/18. Discussion around a longer term settlement was discussed at the recent DFID Financial Aid mission but this decision is entirely with DFID. Updated response March 2018 – The establishment of a three year budget is dependent on the terms of the budget settlement approved by DFID.	Open
37	29/04/2015	St Helena Government	The Chief Secretary provides a written statement of progress against recommendations and the Chief Auditor performs a substantive follow-up review on the progress made, in six-nine months and reports his findings to PAC in due course.	Chief Secretary	Chief Secretary to provide a written statement. Updated response December 2017 - Superseded by SHAS Follow Up on previously issued Value for Money/Performance Audit Recommendations; November 2016 SP 12/16. Updated response January 2018 – No further update.	Open

38	11/11/2015	St Helena Government	Consistent with the report recommendations Earned Value (EV) calculations on the airport project are commissioned by SHG for the years ended 31 March 2015 and 31 March 2016 so as to ensure that the valuation is available for the SHG annual financial statements.	Financial Secretary	The Airport and non-exchange element of the Wharf are reported in the SHG financial statements at Replacement Cost in line with IPSAS requirements. Management judgements and estimates were used to estimate Replacement Cost and this uncertainty led to an audit qualification and the recommendation to have a qualified independent valuer come out and value the infrastructure when it is operationally ready. A TOR was been issued and it was hoped that the qualification will be cleared for the 2016/17 annual financial statement audit. Updated response March 2018 – SHG was unable to secure a suitable valuer for this work. We will attempt to secure these services during 2018/19 financial year.	Open
39	11/11/2015	St Helena Government	SHG must ensure that a risk management strategy is developed for the Airport Project Phase 2 and it must conform to risk management standards and best practice. The red risks (major risks) on the Airport Project should be tracked and mitigated to ensure that it do not affect the achievement of goals/objectives of the project.	Financial Secretary	SP 10/17: This is in progress.Aspects of Phase 1 of the Airport Project (construction phase) are continuing alongside Phase 2 works (Airport Operations). St Helena Airport is not currently dealing with the volume of traffic anticipated due to the delay in commencement of scheduled air services to St Helena.In this interim period, the same risk management methodology is being applied to both Phase 1 and Phase 2. At operational level, separate reports are generated for the Construction and Operations aspects of the Airport Project but the escalation feeds into the same reporting structure (i.e. the same overarching Risks and Issues Registers). This is because both areas are under the same management responsibility at present (i.e. within the Airport Directorate and under the oversight of the Airport Project Board). As Phase 2 becomes more established, the two will be delinked and a separate risk management strategy will be devised for Phase 2. A review will be scheduled in late 2017/Updated Response December 2017 - Aspects of Phase 1 of the Airport Project (construction phase) are continuing alongside Phase 2 works. The same risk management approach is being applied to both but risks that are purely operational (Phase 2) are identified for the eventual delinking of the two.Target deadline is end June 2018 (to tie in with the projected conclusion of Phase 1)Updated response March 2018 – No further update.	Open

40	11/11/2015	St Helena Government	Airport Management must implement the 8 recommendations contained in the audit report on the Airport project. The recommendations that have been provided by audit should be used by management to develop control mechanisms for Phase 2 so as to transfer the learning from Airport Project Phase 1.	Financial Secretary	SP 10/17. See response to recommendation 39 above. We are currently recruiting for an Airport Contracts Manager who will support this work. Updated response December 2017 - See response to recommendation 39. Airport Contracts Manager now in post. Updated response January 2018 – No further update.	Open
41	11/11/2015	St Helena Government	Management must develop an integrated assurance and approval plan for Phase 2 of the Airport Project Operations. Management must also determine areas where they require assurance so that its internal and external assurance providers can assist in that regard.	Financial Secretary	See response to recommendation 39 and 40 above.	Open
42	11/11/2015	St Helena Government	A Project Board is established as a matter of urgency with an elected member and the SHG shipping officer amongst its membership to advise Executive Council and oversee the disposal process of the RMS St Helena and ensure that the following is in place: <ul style="list-style-type: none"> · Management engages the services of reputable independent expert to determine the value of the RMS St Helena and also advise on the disposal options based on the condition of the ship and current trends in the industry. · Management prepare a report on the disposal options for the RMS St Helena for consideration by the Project Board and Executive Council decision. · Ensure that a list of assets (inventory/heritage assets/fixed 	Shipping Officer	As stated previously a professional broker has been appointed for this purpose. The decision on the sale of the RMS St Helena will be on financial grounds and recommendations made to EXCO as part of EXCO process will be through an EXCO Memorandum submitted to EXCO providing the relevant information for EXCO to make an informed decision. AWS have prepared a list of all assets and this has been provided to SHG. The auditors of AWS will carry out final verification audits as part of the decommissioning of the vessel. Updated response March 2018 – No further update. Arrangements for the disposal of the RMS are in progress.	Open

			assets/movable assets) is maintained, currently up to date and a copy held by SHG. In addition an asset verification should be performed by the Audit Service.			
44	11/11/2015	St Helena Government	SHG ensures that interested stakeholders and the public at large are kept informed on both the proposals for the provision of a cargo shipping service and the decommissioning of the RMS St Helena.	Shipping Officer	Implemented. This is the case and has always been the case, the public are informed and timely announcements are made. We will continue with the agreed approach. Updated response March 2018 – PAC view and proposed action noted.	Open Action to be monitored.
45	11/11/2015	St Helena Government	SHG must ensure that a Deputy Shipping Officer be appointed to ensure there is no disruption of services in the absence of the Shipping Officer.	Financial Secretary	Disagreed. There has been no disruption of services in the absence of the Shipping Officer and we see no need for a deputy. The Shipping Officer remains contactable whilst overseas. There has been no disruption of services in the absence of the Shipping Officer and we see no need for a deputy. The Shipping Officer remains contactable whilst overseas. Recommendation not accepted and will not be implemented. Matter is now closed Updated response December 2017 – The current shipping arrangements will cease in February 2018, thereafter t. Updated response March 2018 – the RMS St Helena shipping service has now come to a close and the new Freight service contract will be managed by the Contract Management Unit.	Disputed PAC request SHG to reconsider need for deputy shipping officer
47	04/02/2016	St Helena Government	SHG set out a technical proposition with resource assessment and timeline for the preparation of the financial statements of Government on a consolidated basis in accordance with IPSAS 6.	Financial Secretary	In progress. SHG commenced a plan for staged consolidation in 2015/16. Currently preparing a „dry run set of 2015/16 consolidated accounts in line with IPSAS 6 with a view to addressing this recommendation in 2016/17. Updated response January 2018 – consideration will be given in 2018/19 financial year as to the resources and capacity requirements to complete this work.	Open Action to be monitored

48	04/02/2016	St Helena Government	SHG give some priority to validating historic social benefit cases to assess the level of financial exposure with a realistic timeline for completion.	Financial Secretary	Implemented. SHG appointed an additional Adjudication Officer for the Social Security Office in October 2016. Their primary role will be the review, updating and collating of eligibility data for all recipients who were brought over from the old system in 2011 to provide assurance on the payment of the current Basic Island Pension. This should be completed by June 2017. Updated response December 2017 – In progress, approximately 70% complete. Updated response March 2018 – this work has been completed and the audit qualification has been closed. It is proposed that this matter is now closed.	Open Action to be monitored
49	04/02/2016	St Helena Government	SHG advises the steps proposed, to obtain fixed asset valuations before expiry of the transitional provisions for asset recognition under IPSAS 17.	Financial Secretary	The valuation of land and buildings has taken place. Updated response March 2018 – complete. It is proposed that this matter is now closed.	Open Action to be monitored
51	04/02/2016	St Helena Government	SHG maintain active interest in the FCO sponsored governance review and take all necessary steps to apply the model framework proposed for the Overseas Territories to strengthen financial governance, audit and parliamentary scrutiny in St Helena.	Chief Secretary	Can confirm this to be the case.	Open Action to be monitored
52	18/07/2016	Enterprise St Helena	ESH must report on outputs and outcomes in the annual report and uphold their commitment to do in future financial statements.	Chief Executive for Economic Development	SP15/17: The ESH DFID project log frame includes outputs, outcomes as well as overall impact and a detailed report is provided annually to DFID as part of the ESH Annual Review. A summary of this report is included in the ESH Annual Report. Updated response March 2018 - See response to related recommendation number 107.	Open Annual report for 2016/17 to be reviewed by PAC

53	18/07/2016	Enterprise St Helena	ESH must start to objectively report on its contribution to the economic growth using indicators with the hope of measuring the impact on the Gross Domestic Product (GDP) in future years.	Chief Executive for Economic Development	Constraints relating to availability of a robust methodology and necessary data have prevented SHG from providing accurate calculations of GDP. As a result ESH has been using "Annual Private Sector Expenditure" (as quantified in National Accounts methodology) as a proxy measure for GDP. Going forward it will be easier to determine relevant and meaningful indicators as SHG is now addressing this issue. Updated response March 2018 – No further update.	Open
56	18/07/2016	Enterprise St Helena	ESH should consider re-adopting the incubator unit concept so as to foster development of start-up businesses.	Chief Executive for Economic Development	This was withdrawn by SHDA when the additional units in HTH and New Ground were built. Board decided at the time that these should no longer simply be "incubator" units; noting the lack of suitable commercial floor space. If ESH were to insist on people moving on after a set number of years (originally it was 3 years max in a unit) we could well be putting supported entities out of business. Updated response December 2017 – Due to the lack of commercial space currently experienced here on St Helena, it would not be prudent for ESH to force our existing tenants out of their units after a period of say 3 years. This could result in businesses then failing and the funding that ESH has given to these businesses being lost to the Island. The PAC needs to note that Enterprise St Helena does not have a capital programme to create any additional units for new business or step up units for our existing tenants. However the ESH Board has reviewed our grants policies and will continue to review the policies on an on-going basis and has and will adjust them to assist the start-up business or for growth in businesses. Updated response March 2018 – Implemented.	Disputed The SHDA policy should be referred to ESH Board for re-consideration
60	18/07/2016	St Helena National Trust	SHG should work with SHNT to prepare a condition survey to augment the register of the Island's built heritage (using the Crallen and Jeffs reports) and develop a strategy for the prioritisation of future management and maintenance given the significant long-term economic potential particularly in terms of tourism.	SHG/SHNT	Heritage Working Group established by Chief Sec. Chaired by Cllr. Ward-Pearce. Updated response December 2017 - Replacement SHG lead required to complete recommendations. Updated response March 2018 – No further update.	Open

61	18/07/2016	St Helena National Trust	SHG needs to make a decision how the heritage assets are managed, decide which properties should be transferred or leased to SHNT.	SHG/SHNT	Discussions with Crown Estates ongoing. Updated response December 2017 - Discussions with Crown Estates ongoing. 99 year lease of High Knoll Fort approved by ExCo – paperwork to be drafted by Crown Estates.	Open
63	18/07/2016	St Helena Hotel Development Ltd	SHG should document how it intends to manage the capital risk associated with the public investment in the hotel venture through SHHDL.	Directors	Updated response March 2018 – No further update. SHG will document this in due course. Updated response December 2017 - This is in progress, to be finalised before the end of the current Financial Year. Updated response March 2018 – The Financial Secretary has been tasked by EXCO to put forward an options paper to address the funding needs of the hotel to be completed by May 2018.	Disputed More specific detail is required on how and when this will be addressed
64	18/07/2016	St Helena Hotel Development Ltd	SHG develop a time bound exit strategy for disposal of the public investment in SHHDL.	Directors	This will be developed in due course Updated response December 2017 - The Directors have been primarily focussing on finalising the construction stage of the project including reconciling final cost reports with the project management contractor and working with the Hotel Management Contractor on the pre-opening period. Work on the exit strategy for the disposal of the public investment in SHHDL is still in its infancy, greater focus will be given to the exit strategy early in 2018 and the recommendations by PAC will be taken into account in this work. Updated response January 2018 – A working group will be established to develop a strategy for the equity holdings of SHG which will determine the criteria for assessing the optimal timing of their disposal.	Disputed More specific detail is required on how and when this will be addressed
65	18/07/2016	St Helena Fisheries Corporation	SHFC differentiates between local and export markets and introduces local and export tariffs which would benefit fisherman and keep cost down in the local market.	General Manager & Management Board	Updated response March 2018 – The Financial Secretary has been tasked by EXCO to put forward an options paper to address the funding needs of the hotel to be completed by May 2018 and this will encompass a proposal to kick start the exit strategy. It is virtually impossible to differentiate between the local and export markets unless there is a huge subsidy in place. The factory needs at least 500-tonnes of raw material in order to bring the production unit cost down to a possible break-even situation; so far we have not been able to achieve this volume of fish purchases. Bearing the above mind, the export trade market prices are virtually set by the buyers for the major canneries and there is very little room for price movements – what is helping the corporation at the	Disputed

					moment is the exchange value of the Euro against the British Pound as the European buyers' deals in Euros. SHFC has developed TOR for a business improvement working group which will address local pricing. In addition, SHFC is exploring options in relation to exporting fresh fish via air freight. Updated response March 2018 – Trials for exporting fish via airfreight has been successful and the Improvements working Group are exploring options in this area which will be presented to the Board and ExCo in due course.	
66	18/07/2016	St Helena Fisheries Corporation	SHFC prioritise the lifting of the MFV Extractor so that the proceeds of the SHFC shares can be realised.	General Manager & Management Board	The correct lifting gear in place and once the MFV Extractor returns from its current mission (fish tagging and policing of our EFZ), a date will be fixed to lift the vessel before the financial year end. Updated response December 2017 – Share purchase agreement completed in August 2017. Updated response March 2018 – Complete. It is proposed that this matter is now closed.	Open Vessel lifted 31 March 2017 but completion of share transfer pending.
69	18/07/2016	Connect Saint Helena Ltd	Connect publish the financial performance of the different operating segments within the Annual Report	Chief Executive Officer	While the financial reporting standard FRS 102 used by the company for financial reporting does not require segmental reporting, Connect's board receives segmental performance reports for decision making through monthly management accounts. Updated response January 2018 – See response to related recommendation number 101.	Disputed
71	18/07/2016	Connect Saint Helena Ltd	SHG explain whether value for money was obtained for the aid-funded water design project that was subsequently written-off by Connect.	Financial Secretary	A response will be provided for the 24/03/2017 formal Legislative Council meeting. Updated response March 2018 – An overview of the benefits of this project to St Helena was given to Legislative Council at their formal session in January 2018.	Disputed
72	18/07/2016	Currency Fund	SHG perform the required research and publish a report to assess the merits and demerits to maintaining the St Helena Pound and the Currency Fund.	Financial Secretary	A review was commissioned and a presentation has been made to the Economic Development Committee on the initial findings. It was agreed that the follow up action as recommended in the initial report should be followed through and this is ongoing. No report can be published at this stage as all the work has not yet been completed. Updated response January 2018 – See response to the related recommendation number 126.	Open

73	18/07/2016	Currency Fund	Commissioners assess the different options regarding the issuing of commemorative coins, and specifically whether these should be deemed as legal tender.	Financial Secretary	This will be considered by the Commissioners of Currency. Updated response December 2017 – To be considered by the Commissioners of Currency in due course. Updated response March 2018 – No further update.	Open
75	18/07/2016	Bank of Saint Helena Ltd	BOSH communicate the new initiatives with regards to the introduction of plastic money to the island to make the public aware.	Managing Director	The Pilot Program of the Local Debit Card was scheduled to roll-out in November 2016. However the upgrade of the Bank's systems caused some programming issues, these issues are now in hand, and the Bank has commenced testing the local debit card in-house with a scheduled date for the Pilot at the beginning of April 2017. During this interruptive phase participants in the program were kept informed of developments throughout. Marketing will commence shortly once the Bank is happy with the in-house testing. Updated response March 2018 – BOSH has and continues to communicate to the public in respect of the introduction of new initiatives. This forms part of the bank's communication strategy. 1 Dec 2017 saw the official launch of the Local Debit Card Service and new account packages the various marketing mediums were used prior to and will be continued to be used over the coming months to ensure public awareness and encourage customer take-up.	Open
77	18/07/2016	Bank of Saint Helena Ltd	SHG determine its future strategy with respect to the SHG shareholding in the Bank and explore options for disposal or dilution of shareholding through an independent public offering.	Financial Secretary	This will be considered by SHG in due course. Updated response March 2018 - no further update.	Disputed More specific detail is required on how and when this will be addressed
79	09/12/2016	SHG - Expenditure in Excess	The Financial Secretary prepares a statement of Expenditure in Excess soonest after the closure of the relevant financial year end and presents that statement annually to Legislative Council in accordance with section 106.	Financial Secretary	A Statement of Expenditure in Excess was prepared soon after the end of the financial year 2015/16 and was presented to formal Legislative Council. Statement of Expenditure in Excess for 2016/17 was be laid at LegCo on 19 December 2017. Updated response March 2018 – SHG is compliant. It is proposed that this matter is now closed.	Open Sessional Paper 2015/16 not timely so action will be monitored for 2016/17

80	09/12/2016	SHG - Expenditure in Excess	The Financial Secretary issues regular communiques to all accounting officers to remind them of their responsibilities with regards to budgetary control, expenditure spending and monitoring.	Financial Secretary	This will be done periodically over the coming financial year. Updated response March 2018 – This is an ongoing process. There are regular communications with directorates to ensure that the necessary action is taken to prevent unauthorised expenditure in excess of that appropriated; these include requests for forecast revenue and expenditure to the year end and routine monitoring such as explanations for variations from budget. On this basis it is proposed that this matter is now closed.	Open
81	09/12/2016	SHG 2013/14 and 2014/15 AFS and ML	SHG maintain a register of all audit recommendations, action plans and timelines to ensure that all qualifications are resolved by 31 March 2018.	Financial Secretary	SHG monitors all agreed recommendations and realistic timelines are set for each. Updated response March 2018 – SHG remains committed to addressing the qualification issues and reducing them year on year.	Open
82	09/12/2016	SHG 2013/14 and 2014/15 AFS and ML	SHG sets clear project deliverables with timelines to ensure that the asset valuation project meets its objectives and assets are completely disclosed in the 2016/17 Annual Financial Statements. A committee of relevant stakeholders be convened with clear Terms of Reference for the duration of Asset Valuation project, which could expedite the retrieval of required information.	Financial Secretary	This project has been completed and the final Property Valuation Report has been received and will be incorporated into the 2016/17 financial statements. Updated response March 2018 – Completed. It is proposed that this matter is closed.	Open
83	09/12/2016	SHG 2013/14 and 2014/15 AFS and ML	SHG ensure that instructions for the valuation of the pension liability is issued timeously to the Government Actuary Department (GAD) to ensure that the movement in the pension liability is recorded as part of the 1st draft Annual Financial Statements submitted for audit to the Chief Auditor.	Financial Secretary	The instruction for the 2016/17 DBPS Valuation has been given to the Government Actuary's Department and a Commissioning Letter has been issued by them confirming their acceptance of the work and agreeing to the delivery date of the Report which is June 2017. Updated response March 2018 – Implemented. This is a routine step in the accounts preparation process. It is proposed that this matter is closed.	Open
85	09/12/2016	SHG - Managing Grants and Subsidies Value for Money report	SHG ensure that a Grants & Subsidies policy is developed and implemented as recommended by the Chief Auditor as a matter of priority to provide a proper framework for decision making and management in these awards.	Financial Secretary	A Grants & Subsidies Policy has been drafted and will be finalised by the end of March 2018. Updated response March 2018 – A draft policy was created in November 2016. It is now the intention to follow the policy making process and so the draft will be completely reviewed by Corporate Services during the 1st quarter of 2018 with a view of	Open

86	09/12/2016	SHG - Managing Grants and Subsidies Value for Money report	SHG ensure that all grant and subsidy receiving entities/organisations sign Service Level Agreements (SLA) with SMART targets and deliverables. (SMART – Specific, Measurable, Attainable, Realistic and Timebound).	Financial Secretary	being taken to Executive Council in due course. SLAs are being prepared for these organisations which will have effect from 1 April 2017. Updated response March 2018 – All organisations in receipt of a grant or subsidy will be required to sign up to an SLA.	Open
87	09/12/2016	SHG - Managing Grants and Subsidies Value for Money report	SHG ensure that there is alignment of the Strategic Objectives to targets/key performance indicators in the SLA of grants/subsidy receiving organisations/entities and their business plans.	Financial Secretary	This will be incorporated into the SLAs being prepared. Updated response March 2018 – The organisations in receipt of a grant or subsidy are required to sign up to an SLA which is linked to achieving the targets set out in the 10 year plan.	Open
88	09/12/2016	SHG - Managing Grants and Subsidies Value for Money report	SHG ensures that performance reports are independently and objectively validated before they are published for stakeholders.	Financial Secretary	A review is currently being undertaken by the Internal Audit Office to provide assurance over the process currently in place. IAO has produced a governance audit report with moderate assurance. Updated response March 2018. No further update.	Open
89	09/12/2016	SHG - Managing Grants and Subsidies Value for Money report	SHG provide updated implementation timeliness for recommendations in the Managing Grants and Subsidies report.	Financial Secretary	A response will be provided for the 24/03/2017 formal Legislative Council meeting. Updated response March 2018: A verbal update on the implementation of recommendations was provided to Legislative Council at the formal session on 19 December 2017. The recommendations will be progressed in 2018.	Disputed
90	09/12/2016	SHG - NAO – Realising the Benefits of the St Helena Airport Project report	SHG provides responses to questions that were asked during the formal session that officials could not furnish the public with appropriate responses.	Chief Secretary	The questions posed ask officials for an opinion on the project design and delivery. The matters identified will be considered by the project review to be conducted by DFID. It would be inappropriate to speculate on the outcome of that review.	
91	09/12/2016	SHG - NAO – Realising the Benefits of the St Helena Airport Project report	SHG updates its Strategic Risk Register with risks that have been raised in the NAO Airport report so that they can be monitored.	Chief Secretary	SHG's Corporate risk Register contains such risks which are managed through the risk management process.	Disputed
92	09/12/2016	SHG - NAO – Realising the Benefits of the St Helena Airport Project report	SHG briefs elected members on any significant public report that pertains to the business of St Helena Government irrespective of responsibility or authorship.	Chief Secretary	Agreed. This will be done as and when it is necessary to do.	

93	09/12/2016	SHG - NAO – Realising the Benefits of the St Helena Airport Project report	SHG ensures that the public are informed timely on matters that affect their livelihood.	Chief Secretary	Agreed. This is currently SHG practice and we will continue to do so in the future as and when it is necessary to do.	
94	09/12/2016	SHG response to PAC recommendations	Financial Secretary as the responsible member of ExCo must ensure completeness and timeliness of the Government response being laid under section 69(9).	Financial Secretary	This will be done on a timely basis going forward.	Open
95	01/05/2017 (SP 30/17)	Connect St Helena Ltd 2015/16 Audited Annual Financial Statements	Connect includes its performance information as part of their Annual Report and Financial Statements and must report on its year on year performance on its indicators.	CEO, CSH	Performance information and KPIs as published in Utilities Regulatory Authority's report are now included in the annual report under the strategic report section.	
96	01/05/2017 (SP 30/17)	Connect St Helena Ltd 2015/16 Audited Annual Financial Statements	Connect's Annual Report and Utilities Regulatory Authority report be made available in the Public Library and the Castle for citizens who do not have access to the internet.	CEO, CSH	Connect will provide bound copies at the same time as the reports are uploaded to the website.	
97	01/05/2017 (SP 30/17)	Connect St Helena Ltd 2015/16 Audited Annual Financial Statements	Connect's Annual Report must be thoroughly reviewed by the governance structures (Board and/ or Audit Committee) before signing off so as to ensure that any inaccurate or misleading statements are not published.	CEO, CSH	Board and Audit Committee review the accounts before sign off. The audit committee is now fully functional.	
98	01/05/2017 (SP 30/17)	Connect St Helena Ltd 2015/16 Audited Annual Financial Statements	Connect implements measures to accurately quantify, as well as minimise, the water losses in the distribution networks. Presently unaccounted water losses are estimated to vary between 10% and 50%.	CEO, CSH	The program has commenced with Ladder Hill losses measured at below 10%. Belstone is the second area where metering is in place and initial readings have been taken and once the second readings are taken the loss in this area can be quantified. The third area is also in Levelwood below the Kingdom Hall. The program is implemented with a rolling program of bringing additional areas online.	
99	01/05/2017 (SP 30/17)	Connect St Helena Ltd 2015/16 Audited Annual Financial Statements	Connect records and maintains flow data information if necessary using maps developed initially for the 1990 to 2010 Water Plan and that these Water Plans be updated 5-yearly and	CEO, CSH	Connect has comprehensive raw flow data from all water sources which are recorded on a daily basis. The data is essential to the management of our water resources.	

			published.			
100	01/05/2017 (SP 30/17)	Connect St Helena Ltd 2015/16 Audited Annual Financial Statements	Recognising the redirection of funds to prioritise the alleviation of the drought and ensure water security, SHG must clarify their strategic intent, as no formal change has been made to the strategic objectives set out in the Strategic Development Plan regarding access to treated and tested water.	Chief Secretary	An update will follow. Note that the 10 Year Plan for Saint Helena states "We will have a long term water strategy for the Island, supported by adequate infrastructure, in order to reduce the impact of drought and climate change".	
101	01/05/2017 (SP 30/17)	Connect St Helena Ltd 2015/16 Audited Annual Financial Statements	Connect discloses in the Financial Statements its operating segments, specifically water and electricity, for the benefit of the users of the Financial Statements.	CEO, CSH	The March 2017 annual report includes a segmental performance summary under the Financial Performance sub-section of the Strategic Report within the annual report.	
102	01/05/2017 (SP 30/17)	Enterprise St Helena Ltd 2015/16 Audited Annual Financial Statements	ESH publish their Annual Report and Financial Statements as a combined document as implied by section 10 of their Ordinance.	Chief Executive for Economic Development	This will be done for the annual report for the 2016/17 financial year. The Financial Statements for 2016/17 is not yet signed off.	
103	01/05/2017 (SP 30/17)	Enterprise St Helena Ltd 2015/16 Audited Annual Financial Statements	ESH consolidates the financial results of Bertrand's cottage in their financial statements as a subsidiary.	Chief Executive for Economic Development	A response will be provided to Legislative Council in due course.	
104	01/05/2017 (SP 30/17)	Enterprise St Helena Ltd 2015/16 Audited Annual Financial Statements	ESH determines its future intentions with regards to its ownership in Bertrand's cottage as a training facility and standalone business. A medium term exit strategy should be developed within the next twelve months.	Chief Executive for Economic Development	A response will be provided to Legislative Council in due course.	
105	01/05/2017 (SP 30/17)	Enterprise St Helena Ltd 2015/16 Audited Annual Financial Statements	ESH record all identified risks in their strategic and operational risk registers and develops practical mitigation plans. ESH submits its Strategic Risk Register to enable PAC to reconcile the challenges noted in the Annual Report.	Chief Executive for Economic Development	A response will be provided to Legislative Council in due course.	
106	01/05/2017 (SP 30/17)	Enterprise St Helena Ltd 2015/16 Audited Annual	ESH should refer to its Board for reconsideration the SHDA policy with regards to the incubation unit leasehold	Chief Executive for Economic Development	Implemented. See response in December 2017 for the related recommendation number 56.	

		Financial Statements	terms so as to provide for a suitable economic climate for emerging entrepreneurs.			
107	01/05/2017 (SP 30/17)	Enterprise St Helena Ltd 2015/16 Audited Annual Financial Statements	ESH during its strategic planning phase sets KPIs that are based on outputs and/ or outcomes rather than the inputs or activities. Progress against these output/ outcome based KPIs are then expected to be reported in the Annual Report.	Chief Executive for Economic Development	A response will be provided to Legislative Council in due course.	
108	01/05/2017 (SP 30/17)	Enterprise St Helena Ltd 2015/16 Audited Annual Financial Statements	In order to achieve value for money, ESH should ensure that all training that is being provided is accredited with a recognised external provider and can be benchmarked internationally.	Chief Executive for Economic Development	A response will be provided to Legislative Council in due course.	
109	01/05/2017 (SP 30/17)	Bank of St Helena Ltd 2015/16 Audited Annual Financial Statements	BOSH looks at improving efficiency and therefore profitability through office automation as well as growing the service offer.	Manager, BOSH	The Bank's systems upgrade in December 2016 has made provision for a number of improvements in current processes, it also provided the foundation for new and improved products and services: Local Debit Card services: IVR card support services. Extended Business Online Banking features (Journals, BACS & Direct Debits). Receipt printing. Improved customer on-boarding processes. Automation of customer statements. Additional KYC modules to improve customer identification processes. Projects in development and testing include: New lending modules and platforms. PIN/Pad teller machines (card services). Comprehensive Anti-money Laundering product. Online Banking international remittance features. International prepaid card (travel card) for locals – still in negotiation stages. Merchant remote management card services. Current implementation studies include: Virtual Cards (closed loop). Visa/MasterCard issuing licensing. Visa/MasterCard acquiring licensing – to include POS and ATM acquiring capabilities. Closed loop ATM feasibility	
110	01/05/2017 (SP 30/17)	Bank of St Helena Ltd 2015/16 Audited Annual Financial Statements	BOSH uses the feedback from the pilot period of the project to correct or rectify any issues that would have been noted before going live.	Manager, BOSH	All feedback received throughout the local debit card trial were considered and addressed accordingly. Issues identified during the trial were rectified and accepted prior to official service launch.	

111	01/05/2017 (SP 30/17)	Bank of St Helena Ltd 2015/16 Audited Annual Financial Statements	BOSH, ESH and SHG consider partnerships that will see the ESH advisors and SHG representatives' abroad (South Africa, Falklands, United Kingdom) assist bank clients that may be experiencing complications with their bank cards/ bank queries.	Manager, BOSH	BOSH endeavours to work in partnership with ESH and SHG and their representatives and advisor where necessary. If bank card/bank queries are received from customers the bank readily assist with, often with positive results at this time.	
112	01/05/2017 (SP 30/17)	Bank of St Helena Ltd 2015/16 Audited Annual Financial Statements	BOSH set a structured training programme for its staff members and also includes overseas training as appropriate.	Manager, BOSH	BOSH has this matter in hand, staff training programmes are currently being put into place which will include overseas training/exposure as appropriate and the necessary budget arrangements are being considered. It is expected that the MD will depart the island during this year for training and exposure along with other Senior Officers and staff over the coming years.	
113	01/05/2017 (SP 30/17)	Bank of St Helena Ltd 2015/16 Audited Annual Financial Statements	SHG as shareholder set financial performance expectations in terms of profitability, growth and dividend policy.	Financial Secretary	To be implemented for the 2018/19 financial year. <i>Update March 2018: No further update at this stage.</i>	
114	01/05/2017 (SP 30/17)	St Helena Fisheries Corporation 2015/16 Audited Annual Financial Statements	SHG explore the introduction of an export credit scheme to help SHFC with cash if they can produce documents to prove export shipment.	Financial Secretary	An initial review of an export credit scheme was considered in January 2017 at which time it was concluded that it would not be prudent to enter into such an arrangement given the substantial loan balance already provided by SHG, the historical financial performance of the Corporation, and the fact that such a scheme did not encourage effective cash management.	

115	01/05/2017 (SP 30/17)	St Helena Fisheries Corporation 2015/16 Audited Annual Financial Statements	PAC notes with concern, the high electricity bills that SHFC is paying and encourages SHFC to further improve energy efficiency and negotiate with Connect a bulk user electricity tariff.	General Manager, SHFC	SHFC has undertaken an energy monitoring scheme to determine factory energy usage based on electricity circuits (freezer/chillers, lights, sockets, ice plant). SHFC GM produced an operational review in August 2017 which was presented to SHG outlining findings. SHFC operational management has in place energy saving initiatives which include switching of lights and appliances when not in use however, the ultimate major source of energy consumption is as a result of the factory's cold-rooms (which is not controllable by operational daily use initiatives), nevertheless during the week long shutdown in November 2017 all chiller and freezer door seals have been replaced in addition the old leaking pipe work that support the refrigeration system has been replaced to ensure efficiency. It has been determined that cold-rooms' are indeed too large for the throughput of fish current received and must be made smaller. The GM of SHFC has prepared a proposal (and investigating technical advice) for consideration by ESH to procure paralling to reduce the physical size of one of the SHFC cold-rooms by 50% which is anticipated to reduce energy consumption by 30% which will be reviewed by the SHFC improvement plan working group before submission. Update March 2018: No further update.	
116	01/05/2017 (SP 30/17)	St Helena Fisheries Corporation 2015/16 Audited Annual Financial Statements	PAC notes with concern, the high freight charges for moving fish for export and encourages SHFC and AWSL to consider negotiating an export rate to encourage sustainable business.	General Manager, SHFC	No formal attempt was made by SHFC to AWSL to consider the negotiating the export rate for containers. Informal enquires would suggest that this is not and option. This recommendation will be presented to the SHFC improvement plan working group and formally explored as an option by February 2018.	
117	01/05/2017 (SP 30/17)	St Helena Government 2015/16 Audited Annual Financial Statements	PAC notes with disappointment that information submitted originally for Basic Island Pension was not retained on case files by SHG. SHG should review record management practises and file retention policies and implement necessary improvements/enhancements to the record management systems.	Financial Secretary	This is an historical issue. With effect from September 2015 action was taken to ensure that evidencing documentation was obtained and retained on case files o support applications for the Basic Island Pension. <i>Update March 2018: This work has been completed and the audit qualification has been cleared. It is proposed that this matter is now closed.</i>	

118	01/05/2017 (SP 30/17)	St Helena Government 2015/16 Audited Annual Financial Statements	The Financial Secretary set out an updated rationale with supporting analysis to determine a minimum and preferred level of working balance on the Consolidated Fund for approval of SHG and DFID in partnership.	Financial Secretary	The working balance for the Consolidated Fund is being reviewed and will be subject to discussion with DFID. Update March 2018: A revised minimum level has been determined for the Consolidated Fund and agreed with Elected Members.	
119	01/05/2017 (SP 30/17)	St Helena Government 2015/16 Audited Annual Financial Statements	PAC notes with concern the two overdrawn Special Funds amounting to £350,000. Financial Secretary should arrange for these balances to be approved for write off in accordance with Financial Regulations. Further the Financial Secretary takes specific steps to avoid project expenses being incurred prior to the operative date of donor funding agreements.	Financial Secretary	Action will be taken before the end of the 2017/18 financial year. The issue of incurring project expenses prior to the effective date of the funding agreement is an historical issue. Application has been made to DFID to fund the amount overdrawn in relation to that project from other project balances held. Update March 2018: DFID have confirmed their agreement to offset the overdrawn projects against other project balances held.	
120	01/05/2017 (SP 30/17)	St Helena Government 2015/16 Audited Annual Financial Statements	SHG submits a written rationale for the write-off of the Fairhurst Water Design Consultancy in the amount of £665,000 (PAC recommendation SP 35/16 also refers). The Financial Secretary to confirm the accounting treatment adopted for the write-down of the Connect Shareholding in this amount conforms to Financial Regulations and required authorisations.	Financial Secretary	Confirmed.	
121	01/05/2017 (SP 30/17)	Bulk Fuel Installation 2015/16 Audited Annual Financial Statements	SHG ensures that government trading activities are monitored through monthly management accounts and corrective action is taken timeously where operating deficits are arising.	Financial Secretary	Implemented. Performance is monitored through monthly management accounts and corrective action reviewed and taken.	
122	01/05/2017 (SP 30/17)	Bulk Fuel Installation 2015/16 Audited Annual Financial Statements	SHG quantifies the decommissioning costs of the old BFI and clarifies from where these costs are to be funded.	Financial Secretary	Discussions are ongoing to conclude this issue. Update March 2018: No further update.	

123	01/05/2017 (SP 30/17)	Bulk Fuel Installation 2015/16 Audited Annual Financial Statements	SHG provides a written statement on the additional costs incurred through the emergency fuel shipment charter and explains how this additional cost will be funded.	Financial Secretary	Options for the recovery of the increased cost per litre of fuel from the emergency fuel shipment included consideration of the wider social and economic implications. The costs will be recovered through sales over several future shipments of fuel by adjusting the contribution to BFI and the retailer's margin.	
124	01/05/2017 (SP 30/17)	Bulk Fuel Installation 2015/16 Audited Annual Financial Statements	SHG takes steps to ensure that bulk fuel reserves are planned and replenished at intervals sufficient to avoid the additional costs involved in emergency shipments of fuel.	Financial Secretary	These steps are being taken by the management of the Bulk Fuel Installation bearing in mind the cost of holding excessive stocks. The emergency shipment in March 2017 was not the result of delayed planning; external factors, specifically weather conditions indicated that there would be a substantial delay in the delivery of the planned shipment of fuel.	
125	01/05/2017 (SP 30/17)	Currency 2015/16 Audited Annual Financial Statements	SHG continuously manages its ex-officio roles and responsibilities of Currency Commissioners so as to recognise the inherent conflict of interest in these appointments and ensure fair play between the stewardship of the Currency Fund and the operations of the SHG treasury functions.	Financial Secretary	This is being done.	
126	01/05/2017 (SP 30/17)	Currency 2015/16 Audited Annual Financial Statements	PAC formally notes a review on the St Helena Pound versus Sterling is being performed and anticipates proper consideration of that report after all due processes have been followed. (PAC recommendation in SP 35/16 refers)	Financial Secretary	The report by the Government Economist on the St Helena Pound has been considered.	

127	01/05/2017(SP 30/17)	Saint Helena Hotel Development Ltd 2015/16 Audited Annual Financial Statements	PAC notes that South African Building Standards are being used in the building of the Jamestown Hotel and that the work being performed based on those standards will be self-assured. SHG should advise: 1. Whether the South African Building Standards are compliant with the St Helena Building Regulations and what risks are presented by allowing South African standards to be applied and what mitigations have been put in place? 2. Whether proper approval was given by the appropriate Authority for the disapplication of St Helena building regulations in the construction of the Hotel? 3. What oversight is being provided by the Building Inspector as to the compliance with building regulations, and otherwise, whether the services of a South African certified Building Inspector should be engaged to independently validate the self-assurance performed by the contractor?	Directors, SHHD	1. Current St Helena Building Standards are inferior to South African National Standards (SANS 10400). A review of the St Helena Building Regulations is currently being undertaken using a combination of UK and SANS Regs. The use of SANS 10400 was therefore considered minimal Risk. A final Occupancy Certificate encapsulating the regulatory requirements of SANS and St Helena was implemented by Planning and Building Control, supported by SHG's Technical Services Dept, requiring detailed documentation and certification supporting the Design and Build quality of the Hotel. 2. Approvals were sought and implemented by the appropriate sections of SHG i.e. Planning and Building Control and all approvals went through the appropriate Planning Authority Committee's 3. Initial design deliberations were held including the Building Inspectorate. No onsite inspections were undertaken but regular progress reports and photos were provided as work progressed. SHHD's Technical Director undertook regular inspections and site visits to ensure compliance with specification and quality assurance. March Update: The occupancy certificate has been issued and the hotel has been operational since November 2017.	
128	01/05/2017 (SP 30/17)	Saint Helena Hotel Development Ltd 2015/16 Audited Annual Financial Statements	The Chief Planning Officer and Building Inspector specify definitely the standards that are applicable to building construction in St Helena and the Building Regulations to be updated and approved accordingly.	Chief Planning Officer	Current St Helena Building Standards are inferior to South African National Standards (SANS 10400). A review of the St Helena Building Regulations is currently being undertaken using a combination of UK and SANS Regs.	The Chief Planning Officer and Building Inspector make recommendations to the Planning Authority and Council Members on matters pertaining to the Planning and Building Regulations and where necessary these go to Public Consultation, such as the current review of the Building Regulations, prior to implementation.

129	01/05/2017 (SP 30/17)	Saint Helena Hotel Development Ltd 2015/16 Audited Annual Financial Statements	SHHDL provides a written statement indicating when the Land Development Control Authority, Chief Planning Officer and Building Inspector were involved, what amendments to plans have been made, inspections undertaken to date and any approvals provided.	Directors, SHHDL	This is partially covered under the response in 127 above. SHHD Ltd received conditional development permission in respect of 123 Main Street Hotel project in August 2015 (Decision notice 2015/48). All planning conditions were discharged between May and December 2016. FDT Architects Penny Murray, Tim Drubber and Andries Strauss were approved by Paul Brough (CE) as competent persons in relation to Duties 1 – 18 of SANS 10400-A:2010. In November 2016. Request for various dispensations from SANS made to Planning/Building Authorities in June 2016.		
130	01/05/2017 (SP 30/17)	Saint Helena Hotel Development Ltd 2015/16 Audited Annual Financial Statements	SHG to evaluate the range of skills on the SHHDL Board specifically in terms of engineering and legal expertise so as to mitigate any risks coming from the project and reconsider explicitly the question of conflict of interest of the present directors of SHHDL.	Chief Secretary	Request for various dispensations from SANS made to Planning/Building Authorities in June 2016. March Update: A full review of the board structure is planned for April 2018, this will include a skills analysis to inform the competencies of the board members. The governance arrangements of the hotel now the hotel has moved from a project basis into a operational hotel. The issue of conflicts will be addressed as part of this process whilst ensuring there is business continuity in the transitional period.		
131	01/05/2017 (SP 30/17)	Saint Helena Hotel Development Ltd 2015/16 Audited Annual Financial Statements	SHHDL clarify the terms of any contractual relationship between the company and Mantis Collection for the running of the completed hotel and explain the impact on the exit strategy.	Directors, SHHDL	Mantis Collection is contracted under a Hotel Management Agreement (HMA) to operate the Hotel for a period of 10 years. During this period, SHHD Ltd, will devise an exit strategy to present to Executive Council for endorsement. The contractual arrangement with Mantis Collection will not impact on the exit strategy.		
146		Update Reported to LEGCO	Body	Recommendation	Responsibility	Response	Transfer to Governor Recommendations
1PR	10/02/2014 Updated 7/10/14	SHG Financial Statements 2011/12	The Financial Secretary should improve the timeliness of accounts preparation. Legislative Council should amend the Public Finance Ordinance to require the Financial Secretary to present financial statements to the Chief Auditor for audit within 4 months of year end consistent with the PEFA report of February 2014.	Financial Secretary	Once the backlog of Financial Statements has been addressed we will aim to produce the Financial Statements within four months of the year end for audit by the SHAS. The aim will be for Financial Statements to be signed off (i.e. Opinion given by the Chief Auditor) by the end of December each year. Updated response March 2018 – Current plans remain as originally reported.	Open Awaiting legislation changes	

2PR	10/02/2014	SHG Financial Statements 2011/12	The Financial Secretary should continue with plans to introduce accruals based budgeting in time for the 2016/17 budget process.	Financial Secretary	We agree with the recommendation but not the timeline and we are aiming to introduce for the 2019/20 financial year. Updated response March 2018 – Introduction date to be agreed as a part of the plan to strengthen the public finance function. Additional resource has been secured in the form of a Management Accountant who will lead on this process with a view to implementing accruals based budgeting in the 2019/20 financial year. However it is also recognised that a review is required of the legislative framework to ensure that the introduction of accruals based budgeting has the appropriate legislative support.	Open
3PR	10/02/2014	SHG Financial Statements 2011/12	The Financial Secretary should prepare an analysis of the costs of consolidating subsidiary bodies in the Financial statements, to allow Executive Council to assess whether the costs outweigh the benefits of accurate reporting of the Government's financial position.	Financial Secretary	The decision to consolidate subsidiary bodies is that of the Financial Secretary. Further consideration has been given to this matter and as it currently stands SHG do not have the resources to implement a full consolidation. We have procured an additional three people to address the backlog of the Financial Statements as it currently stands. The additional resources are being focused on the backlog, in line with the agreed working plan with the SHAS. Further consideration will be given to consolidation of the Financial Statements in 2016 for the 2016/17 financial year. Updated response March 2018 – See response to recommendation 47.	Open

