



St Helena  
Government

ST HELENA LEGISLATIVE COUNCIL

SELECT COMMITTEE 2

REPORT TO LEGISLATIVE COUNCIL ON THE FIRST  
MEETING OF SELECT COMMITTEE 2, PUBLISHED ON  
4<sup>TH</sup> DECEMBER 2023 – DISPOSAL OF ST HELENA  
GOVERNMENT ASSETS (EXCLUDING LANDS AND  
BUILDINGS)

LAI D UPON THE TABLE 03 JUNE 2024



Legislative Council of St Helena

Select Committee 2

Disposal of St Helena Government Assets (Excluding Lands and  
Buildings)

First Report of Select Committee 2, together with the formal minutes  
relating to the Report

Published 4<sup>th</sup> December 2023

# Select Committee 2

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## *Select Committee 2*

As per the Select Committees (Establishment) Order 2022, Select Committee 2 is appointed by the Governor to scrutinise sectors of Government activity. Select Committee 2 is responsible for after-the-event review and scrutiny of (i) Treasury, Infrastructure and Sustainable Development and (ii) Safety, Security and Home Affairs.

## *Current membership*

Councillor Dr Corinda Essex (Chair)  
Councillor Karl Thrower  
Councillor Andrew Turner

## *Powers*

The Committee is one of two Select Committees established under Section 69 A of the St Helena, Ascension and Tristan da Cunha Constitution Order 2009 which is available to view on the [sainthelena.gov.sh](http://sainthelena.gov.sh) website.

## *Staff*

The current Clerk of the Committee is Shanice Phillips.

## *Contact Information*

All correspondence should be addressed to the Clerk of Select Committee 2 at [Shanice.Phillips@sainthelena.gov.sh](mailto:Shanice.Phillips@sainthelena.gov.sh) or she can be contacted on 22470.

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## Introduction

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The sector of activity being scrutinised was “Disposal of St Helena Government assets excluding lands and buildings”.

The themes explored were as follows:-

- What is the regulatory framework for asset disposal by St Helena Government, and is it fit for purpose; and
- Are the processes and procedures applied by St Helena Government, in relation to asset disposal, effective and efficient?

The four key areas focused upon were: disposal of information technology assets; disposal of Transport Division vehicles and associated parts and stock; disposal of Ex-Basil Read assets and disposal of Ex- RMS St Helena assets.

In preparation for the gathering of evidence, Select Committee 2 (SC2) familiarised itself with the Public Finance Ordinance (2010) and associated Regulations and Section 41 of Procurement Regulations (2018), which together provide the legal framework pertaining to asset disposal by St Helena Government (SHG).

Prior to the hearing, SC2 visited both radio stations and encouraged the public to provide evidence for the forthcoming inquiry if they wished to do so. The oral evidence received related to what was perceived to be unfair competition between SHG and the private sector, and whether the disposal of the Ex-Basil Read assets was open and transparent. Constituents raising these issues did not wish to submit written evidence and wanted to remain anonymous.

In addition, SC2 requested and received written evidence from the Curator of the Museum, which is given as an annex to this Report. Relevant documents were also requested and received from SHG which are listed in Annex 1.

On 5<sup>th</sup> October 2023, a live hearing took place at which oral evidence was taken from the following key witnesses: - Financial Secretary, Deputy Chief Secretary, Information Technology Section Manager, and Senior Transport Manager. The Chief Minister and Minister for Treasury and Economic Development were invited to participate. The Chief Minister sent apologies as the time of the hearing clashed with important activities within her portfolio which required her attendance.

The Committee is grateful to all those who contributed to this inquiry.

# Chapter 1: Report and Conclusions

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## *St Helena Government Regulatory Framework*

The Financial Secretary confirmed that the regulatory framework pertaining to asset disposal is comprised of Section 41 of Procurement Regulations (2018) and the Public Finance Ordinance (2010) and associated Financial Regulations.

The Financial Secretary stated that St Helena Government's (SHG) procurement function is currently under review, and there has been an update to the Procurement Regulations. However, the revised Regulations have not yet come into force as they have not been approved by the Governor. The Financial Secretary stated that he was aiming to seek such approval by the end of the current calendar year.

Additionally, SC2 was informed that there are plans for a comprehensive review of the Financial Regulations. However, no mention was made of ensuring that the Finance Management<sup>1</sup> Ordinance itself remains fit for purpose and does not require adjustment in the light of any changes to Regulations, nor of the need for alignment between the requirements of both new sets of Regulations.

The Financial Secretary provided an overview of the process by which the value of assets is recorded and determined. Regarding asset valuation, the Financial Secretary stated that SHG follows international best practices to determine the value of assets when recognising them and including them in the Central Asset Register. A decade ago, the determined threshold value for St. Helena Government assets was £5000. However, given the passage of time, they are now re-evaluating this position.

It was explained that sometimes there is uncertainty about the true value of an asset. In these circumstances, the Accounting Officer and Financial Secretary must use their judgment to determine the appropriate disposal method, considering advice from those working with the assets.

He also outlined that items are classified as stock, inventory, stores or consumables in accordance with defined criteria, and that each category is treated differently.

Although the Financial Secretary stated it is his preference to have an open public tender relating to items with a value between £500 and £5000, he stated that this does not preclude any other methods being used. The Financial Secretary informed SC2 that if an acceptable bid wasn't received during a public tender, the Accounting Officer may exercise discretion to dispose of the asset later if a reasonable offer is made.

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<sup>1</sup> Should read "Public Finance Ordinance"

The current regulatory framework only makes provision for the disposal of assets via sale or auction and does not make clear provision for a tendering process. It is, therefore, open to interpretation whether, or not, a tendering process is compliant.

Regarding incentives for SHG portfolios to dispose of assets in a timely manner and by the method most likely to achieve maximum prices, the Financial Secretary stated that Trading Accounts are permitted to retain disposal proceeds to purchase new assets or replace existing ones. However, “that is slightly in contravention to what is outlined in 41.3 of the Procurement Regulations” although “you could argue that the trading accounts are actually part of the consolidated fund in the round so it is actually compliant with the requirements.” He added that he wishes the revised version of Procurement Regulations to clarify that.

He further stated that although portfolios do not have direct incentives to maximise income as proceeds from asset disposal go directly to the consolidated fund, Accounting Officers have legal obligations in this regard.

The Financial Secretary stated that currently only items with a value exceeding £5000 are recorded on the Central Assets Register, as assets with a value below £5000 are classed as inventory. He indicated that the reason for the current split at £5000 is to reduce the administrative burden, however during the hearing it became apparent that inventory records exist already within SHG and are managed at portfolio level.

Centralisation should therefore not prove to be a major issue and would be assisted by a centralised asset management role.

From evidence presented at the live hearing, SC2 did not receive convincing evidence that there is a high level of overall coordination and consistency in relation to asset disposal, although the Financial Secretary informed us that, “We genuinely try to apply the same disposal process to all of it regardless of the funding source for those assets in the first instance.”

SC2 concluded that whilst a fairly robust – if somewhat outdated - regulatory framework pertaining to asset disposal exists, it requires reviewing, strengthening and modifying in order to address the following issues:

- All components of the current regulatory framework require updating;
- There appears to be inconsistency in how this framework is applied across St Helena Government which suggests a need for greater centralised corporate oversight and coordination;
- There also appear to be inconsistencies regarding how assets are identified and disposed of across different sectors within SHG;
- In some instances, conventions are being used rather than a specific process as required by relevant Regulations;
- Definitions of stock, stores, inventory, consumables and assets require clarification as these are open to differing interpretations;
- There is no incentive for portfolios to raise revenue by selling assets as they cannot retain the monies received;



- The £5000 threshold for placement of assets on the central asset register is too high and a potentially counterproductive distinction exists between assets of this value and those currently classed as inventory;
- There was no evidence that consideration is given to grouping assets for disposal or other measures taken to target optimum sale outcomes. In this context, SC 2 recognises that there are instances in which negative social implications of always striving to obtain the highest possible price should also be addressed.
- A lack of clear criteria for allocating value for assets exists, so there is a risk that current practice results in inconsistencies relating to both asset management and disposal methods.
- It was indicated that book value is applied for asset management which is not always suitable as it may not reflect the potential sale value of an asset
- All SHG assets should be easily identifiable which is not the case currently.

*Conclusion 1:*

*That the Procurement Regulations, Public Finance Ordinance and Financial Regulations require review and revision where necessary in order to update them and improve alignment between their respective requirements relating to assets and their disposal, so that they will provide a clear and consistent “overarching” framework encompassing all Government sectors, including Trading Accounts and projects under SHG.*

*Conclusion 2:*

*That in order to improve the efficiency and effectiveness of SHG’s asset disposal methods and facilitate improved outcomes, there is a need for the creation of a specific Asset Disposal Policy and guidance manual to enhance transparency and accountability of asset disposal by SHG. This would assist in ensuring that the public is informed of asset disposal plans and processes, and that tendering and auctioning processes are demonstrably fair and open.*

*Conclusion 3:*

*That co-ordination, compliance monitoring and timely action relating to asset disposal across SHG requires strengthening. Currently no Central Asset Management role exists. This should be established with responsibilities including, but not limited to, full oversight of asset disposals from all departments within SHG; ensuring relevant policies and legislation are complied with and reviewed at appropriate intervals and that amendments are proposed when needed. This could be achieved either by creation of a new post or changes to an existing job description.*

*Conclusion 4:*

*That the use of auctions and tender processes as methods for asset disposal should be the preferred options as these can help ensure a fair market price is achieved, increase transparency, and enable a wider range of potential buyers to participate. A specific reference to disposal by tender is required within the relevant Regulations as this is currently lacking.*

*Conclusion 5:*

*That SHG assets recorded on the Central Assets Register should not only be defined by monetary value, but also other criteria in order to reflect their true value and more precisely identify assets.*

**Conclusion 6:**

*That all SHG assets should be easily traceable and identifiable. SC 2 was impressed by the compliance of the IT and Transport Sections in this regard, but noted best practice is not 'across the board'.*

Disposal of Ex-Basil Read Assets

The Financial Secretary provided a brief overview of how it had come about that SHG has ex-Basil Read assets in its possession. These had been transferred to SHG following the termination of the contract with Basil Read in 2017/18 and are under the control of a programme manager.

The Financial Secretary explained that there is a small maintenance team responsible for these assets but that the vehicles, in particular, had deteriorated as many had been exposed to salt air where they had been stored in Rupert's. He stated it was the intention to dispose of these assets "as soon as we possibly can."

In regards to the valuation of these assets, the Financial Secretary informed SC2 that the process to survey their condition was "virtually complete" and that most assets would be put out for tender "in the very not too distant future." He gave an assurance that the Ex- Basil Read assets would be disposed of under Section 41 of the Procurement Regulations.

The Financial Secretary stated that a number of Ex-Basil Read assets have been, and still are, in use by third parties as they have not been disposed of as yet. The document list supplied to SC2 also indicated that some assets were being retained for individuals and other SHG sections. The Financial Secretary stated that permission had be sought from FCDO who had agreed that any assets suitable to assist SHG service delivery could be utilised by SHG.

SC 2 recognises and accepts that SHG's acquisition of these assets was a sub-optimal, complex and long drawn out process over which SHG had limited control. However, from evidence presented at the live hearing, the following issues emerged as warranting speedy attention. SC2 is concerned that if these remain unresolved, SHG could be at risk of legal challenge/litigation:

- A lack of adequate controls in place, resulting in what appear to be 'ad hoc' decisions lacking a transparent rationale being taken regarding management and disposal of these assets;
- An absence of clear criteria relating to utilisation of the assets resulting in non-compliance with the existing regulatory framework in relation to the use of these vehicles, particularly by third parties;
- Use/disposal of these assets is handled by a programme manager and not an accounting officer which potentially weakens the governance structure and raises accountability issues;

- There is lack of clarity regarding who is responsible to ensure vehicles are safe and checked periodically;
- Assets have not been dealt with in a timely, efficient and effective manner, resulting in potential liability issues for St Helena Government

*Conclusion 1*

*That, because considerable time has elapsed since SHG acquired the Ex-Basil Read assets which has already reduced their market value, it is imperative that all assets identified for disposal are disposed of promptly and in a manner that is open and transparent.*

*Conclusion 2:*

*That a lack of clearly defined roles and responsibilities exists in relation to the management and disposal of these assets. For example, who is the Accounting Officer whose duty it is in accordance with Financial Regulations to ensure that best value has been achieved in terms of value for money for any disposal of assets that take place?*

*Conclusion 3:*

*That, in order to reduce risk to SHG, there is a pressing need for development of a set of clear guidelines pertaining to disposal of the remaining assets to include a requirement for an indemnity for any use of vehicles by third parties, and putting the onus on such third parties to ensure that vehicles they use meet road safety requirements.*

*Conclusion 4:*

*That speedy action is required to ensure that the vehicles and other assets awaiting disposal are stored appropriately to maintain their retail value as current conditions are totally unsuitable.*

*Disposal of Ex-RMS St Helena Assets*

The Chair of SC 2 declared her interest prior to evidence being taken relating to this theme as art work which she had produced forms part of the ex-RMS St Helena assets.

The Financial Secretary stated that “there were no major assets that were taken off the RMS St Helena, other than issues of sentimental value.” He further indicated that in his opinion items such as artwork are not the type of assets which Procurement Regulations were designed to cover.

The Financial Secretary admitted that no financial value had been allocated to the ex RMS assets as “no thought” had been given to the value of these artworks.

He stated that a steering group had made recommendations about disposal of stocks and stores which had been implemented, but he could not recall the recommendations made by the steering group regarding disposal of assets and was not sure that he had received these. With regard to sale of the artefacts, he suggested that it can be beneficial for those with cultural significance to remain on St Helena, so there should not be a sole aim of realising their monetary value.

The Financial Secretary stated that SHG does not have a policy or process in place to determine the cultural or historical value of an asset and conceded that guidance is required on how to dispose of these assets in a way that is respectful to the historical and cultural needs of the island.

From evidence presented, the following issues emerged:

- There had been a lack of communication between the interested parties involved and the process of disposal lacked structured organisation and robust coordination;
- Recommendations from the steering group were not followed through and no satisfactory explanation was provided for this, which calls into question why a steering group had been established in the first place. This resulted in loss of revenue as items were not auctioned nor sold as had been proposed.
- No attempt was made to identify, assess or realise the cultural, historical and sentimental value of the assets, nor to realise full appreciation of the assets to generate revenue.

*Conclusion 1:*

*That in order to avoid repetition of the issues identified, communication, coordination, and collaboration between all relevant stakeholders (including but not limited to, different portfolios and projects, SHG and FCDO) relating to asset disposal matters requires significant improvement, so that the interests and needs of all parties are considered and balanced.*

*Conclusion 2:*

*That considerable additional information and guidance is required in relation to the valuation, recording and disposal of assets possessing significant historical and/or cultural value. This is of particular importance given the relatively large quantity of antiques, royal memorabilia, etc. in its possession. SHG should, therefore, investigate how best to apportion intangible and monetary value to such assets and subsequently evaluate all those that it owns in order to inform decisions relating to their disposal.*

*Conclusion 3:*

*That there is a need to establish criteria to differentiate between historical and/or cultural assets that should be disposed of and those that should be retained to ensure that they remain on St Helena.*

*Conclusion 4:*

*That the current absence of a cultural asset register, which should contain valuations that are regularly assessed and publicly accessible, is a significant deficiency which requires addressing.*

*Disposal of vehicles and associated parts/stock*

The Senior Transport Manager stated that the Transport Division complies with Section 41 of Procurement Regulations and has no internal policies although it operates as a Trading Account. Most assets and stock items are disposed of by means of a carefully controlled

tender process, although some remaining items may be sold in response to an appropriate offer.

He stated that guideline prices in respect of fully depreciated items are set following discussion between Transport Division staff to establish likely market value. He indicated that all disposals are recorded and the relevant notifications made, and he explained the differing processes involved in relation to vehicles and to other items.

The Senior Transport Manager stated that items are not purchased to on-sell, but are sometimes sold to third parties if they cannot be obtained elsewhere locally. In these circumstances, a mark-up is applied to cover administration costs.

Disposal of hazardous items is done through SHG's established waste management processes and procedures. Checks are carried out before sale of vehicles to ensure that no sensitive/valuable items are present, but the Senior Transport Manager conceded that such checks are likely to become more important going forward as vehicles will contain more sophisticated digitised components.

He stated that buyers of vehicles are sent a "successful" letter, but that this is the only document issued. The Deputy Chief Secretary stated that she would pursue compilation of a letter to accompany the receipt on sale of vehicles, making clear the conditions of sale in order to reduce risk to SHG.

From the evidence presented at the live hearing, it was pleasing to find that the Transport Division has in place fairly robust and systematic processes and procedures relating to disposal of its assets.

*Conclusion 1:*

*That asset disposal practices of the Transport Division appear satisfactory and largely effective. However, some of the generic recommendations made elsewhere in this Report in relation to the regulatory framework and indemnification could result in facilitating further improvement.*

*Disposal of Information Technology assets*

The Financial Secretary stated that Accounting Officers of the Trading Accounts have "their own personal responsibility for the management of public funds," and that he relies "heavily" on them keeping him informed when assets are disposed of. Accounting officers are required to adhere to Procurement Regulations and Financial Regulations. However it emerged that the IT section have considered that there is a need for affordable IT equipment in the community and has been attempting to fulfil this need through their disposal practices, although this creates a potential breach of the regulatory framework and also best practice relating to safe disposal.

In particular, the IT manager indicated that storage devices are no longer removed before disposal of IT equipment to reduce the cost burden on the buyer. This was disturbing for safety and security reasons and is not in compliance with SHG policies.

SC2 was impressed by the current methods of asset tracking by the IT section as almost every IT asset and inventory item is tracked through a unique code, and recognise the importance of the IT Section Manager's aspiration regarding procuring a live database for all IT assets to better catalogue and track assets. It is essential that the software procured is fully suitable for their needs. If similar systems were put in place across SHG this would facilitate improved control and management of all assets and remove the somewhat arbitrary distinction between assets and inventory.

Documents supplied to SC2 included examples of the agreement signed by any person or organisation who purchases a piece of IT equipment. However, we found that this document created uncertainty regarding if a guarantee of the items condition was given.

The Financial Secretary agreed that a standardised agreement could be created to reduce risk to SHG in relation to the disposal of any asset.

From evidence presented at the live hearing, it is clear that the IT Section has an asset disposal policy in place which it endeavours to apply consistently. However the following issues emerged:

- Assets for disposal have been undervalued, and sold for an extremely low price, largely to provide a "social service";
- Security measures when disposing of equipment such as servers and computers should be more rigorous;
- The document for buyers of IT equipment to sign is open to interpretation and does not provide adequate protection to SHG.

*Conclusion 1:*

*That SC 2 recognises the need to ensure that assets that have potential educational and social value to the local community should not be placed beyond the reach of individuals because sale prices are too high. It also acknowledges that there are members of the community who cannot afford a new computer and that second hand models are in short supply. However, all buyers now benefit from charges that are in some cases considerably below market value and current disposal practices are, therefore, not strictly compliant with the regulatory framework. This situation could be addressed through formulation of a policy containing eligibility criteria for obtaining a discounted price and minor amendment of the relevant Regulations*

*Conclusion 2:*

*That, for security and safety reasons, it is essential that checks are made to ensure that all storage devices are removed from IT equipment prior to it being sold and that these items have been destroyed in compliance with SHG policies. Such checks should be verified.*

*Conclusion 3:*

*That SC 2 welcomes the statement made by the IT Section Manager regarding procuring a live database for all IT assets, and recognises the importance of the procured software being*

*suitable for their needs. The establishment of such data bases throughout SHG could enhance asset management considerably.*

*Conclusion 4:*

*That in order to reduce risk to SHG, the IT Section should seek legal advice without delay pertaining to the wording used in the document currently provided to buyers. As, from the evidence heard, this is clearly not only an issue in relation to IT equipment, it would be prudent for SHG to develop a standardised document to be given to all buyers of any of its assets.*

## Chapter 2: Recommendations

Section:	Recommendations
St Helena Government Regulatory Framework	<ol style="list-style-type: none"> <li>1. The current review of Procurement Regulations includes the relevant recommendations made within this Report and is completed by the end of the current financial year. The revised document should include procedures for Trading Accounts and projects under SHG.</li> <li>2. In parallel, the Public Finance Ordinance and Finance Regulations should be reviewed and amended as required to assure alignment with the new Procurement Regulations.</li> <li>3. During the review of the regulatory framework, consideration should be given to the possibility of providing appropriate incentives to encourage portfolios to maximise revenue from asset disposal.</li> <li>4. A new Central Asset Management role with key co-ordinating and monitoring responsibilities pertaining to Asset Management across SHG be in place by mid-2024.</li> <li>5. A specific Asset Disposal policy and associated guidelines to enhance transparency and accountability of asset disposal be drawn up and implemented by end 2024.</li> <li>6. This policy should make provision for disposal of assets for social reasons and establish clear criteria for the circumstances in which this is allowable. Consequential amendment of Regulations may be required to facilitate this.</li> <li>7. SHG assets recorded on the Central Assets Register should be inclusive of items currently classed as inventory in order to ensure maximum value of disposal of such items and improve openness and transparency.</li> <li>8. SHG should change from a value-based system to define assets and instead define all assets, stocks and stores based on their usage.</li> <li>9. Where not already in place, an identification system that will ensure that all government assets are easily traceable and identifiable be implemented by the end of 2024.</li> <li>10. By July 2024, standardised documentation should be in place to be signed by all buyers of SHG assets to indemnify SHG in the event of the asset proving to be defective.</li> </ol>
Disposal of Ex-Basil Read Assets	<ol style="list-style-type: none"> <li>1. All Ex-Basil Read assets identified for disposal, be disposed by not later than June 2024.</li> </ol>



	<ol style="list-style-type: none"> <li>2. Urgent measures should be put in place to ensure that such assets are stored in appropriate conditions to minimise deterioration and associated reduced value.</li> <li>3. By February 2024, written conditions are drawn up and signed before usage of ex Basil Read assets by third parties which emphasise that the onus is upon them to ensure that the vehicles are fit for use, comply with road safety requirements and are appropriately insured.</li> <li>4. A comprehensive set of clear guidelines and appropriate documentation be developed by mid-2024 to provide indemnity for third party use of any Government vehicle.</li> </ol>
Disposal of Ex-RMS Assets	<ol style="list-style-type: none"> <li>1. That SHG learns lessons from the weaknesses apparent relating to disposal of these assets and addresses these in the recommended Asset Disposal Policy and guidelines.</li> <li>2. An appropriate valuation methodology is developed for assets of cultural/historic value by end 2024.</li> <li>3. A cultural asset register be established by end 2025 that is to be regularly assessed and publicly accessible.</li> </ol>
Disposal of IT equipment and consumables	<ol style="list-style-type: none"> <li>1. With immediate effect, verified checks are made to ensure that all storage devices are removed from IT equipment prior to it being sold and that these items have been destroyed in compliance with SHG policies.</li> <li>2. It must be ensured that the live data base to be procured will be suitable for the IT Section needs and tailored to the IT assets.</li> <li>3. Legal advice is sought regarding the wording of letters provided to purchasers of IT equipment as a matter of urgency.</li> </ol>

## Chapter 3: Formal Minutes

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Disposal of St Helena Government Assets (Excluding Lands and Buildings)

Minutes of the Meeting of Select Committee 2, held on the Monday, 4<sup>th</sup> December 2023 at the Council Chamber, the Castle, Jamestown.

Members present:

Councillor Dr Corinda Essex (Chair)  
Councillor Karl Thrower  
Councillor Andrew Turner

Introduction read and agreed to.  
Report and Conclusions read and agreed to.  
Recommendations read and agreed to.

Annex 1 agreed to.

Resolved that the Report be the First Report of Select Committee 2 to the Legislative Council.

Ordered, that the Chair make the Report to the Council.

Adjourned to a day and time to be fixed by the Chair.

## Chapter 4: Witnesses

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The following witnesses were called to the table. Transcripts can be viewed on the [sainthelena.gov.sh](http://sainthelena.gov.sh) website.

*Thursday, 5<sup>th</sup> October 2023*

Mr Dax Richards, Financial Secretary, St Helena Government

Mrs Gillian Francis, Deputy Chief Secretary, St Helena Government

Mr Nicholas George, Senior Transport Manager, St Helena Government

Mr Jeremy Roberts, IT Section Manager, St Helena Government

Honourable Mark Brooks, Minister for Treasury and Economic Development, St Helena Government

## Chapter 5: Annex 1: Published written evidence

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### Written evidence from the Curator, Museum of St Helena:

The following documents were provided to SC2 by the Curator, Museum of St Helena:

- List RMS container inventory; and
- RMS items wish list

Together with the explanatory statement below;-

“An inventory of every item we received from the shipping container that held all of the RMS items on the wharf. The items we graded from A to C in terms of whether to keep at the Museum.

We kept all of the A items, while all of the B’s and C’s have been distributed among the care homes, this includes your paintings, I have contacted Rosalie Brown who informs me she has a list to show where everything went and they will track these down for you.

The second item attached is a request the Heritage Society put to Captain Rodney Young in 2016 in anticipation of the RMS going offline. Many of the items we did not receive but Rodney ensured that some we did, which have ticks by them. We did get the builders plate, plus a piston and conrod in the end.

In addition to these lists we received some items which were not listed – that was:

- The Ships bell, and bar bell
- Departure/Arrival board
- Voyage number board with life ring
- Board with the ships crest and an ‘ornamental’ life ring
- RMS red ensign flag (used)
- Aberdeen launch plaque
- Assorted other flags in a custom flag stand that were all flown by the RMS

The ships crest from the bow of the ship was also cut off, a very heavy metal item, it is now in the hands of Port Control who I am told intend to mount it on the Customs Building at the Wharf.”

“As the result of conversations Edward Baldwin (then Chairperson of the Heritage Society) had with Capt. Rodney during the voyage of the RMS St Helena south from Tilbury in June 2016, we submitted a wish list of items we wanted from the RMS for the Museum, at his insistence. That was the first involvement we had with trying to secure items from the RMS for the Museum.

There was later a drinks party on the ship, a Falklands War anniversary celebration. We were given various items, some of which happen to be on the list, by Rodney, after the event. That donation led to the Falklands exhibition case upstairs in the Museum. Rodney asked us to bring Bob Wilson's model of the old ship, which we have at the Museum, to the party. As far as I am aware, this was a deal between the ship and us, with no SHG involvement.

Our next communications were some years after, once the container of RMS items arrived after the ship had gone offline and we became concerned about the storage conditions prevailing in a hot steel container in a salt environment. Over the several years we sent emails to Dax, in his role as Shipping Officer expressing our concerns. We were eventually invited with Councillor Scipio to view and appraise the contents of the container on the wharf. We verbally stated that we would like the collection for the Museum but nothing was ever put into writing. Eventually we were contacted, maybe 2 years after the initial visit to the container, by Dax who agreed to hand over the items to us. Once we secured this collection to the Museum we inventoried it, and a number of the items have gone on display at the Museum, while many of the framed pictures have been distributed to care homes around St Helena.”

Written evidence from the Deputy Chief Secretary:

The following was requested by SC2 of the Deputy Chief Secretary:

- All policies and procedural guidelines
- Any special provisions relating to disposal of hazardous items
- Details of decision making, record keeping and monitoring processes
- Details of how monies are received from asset disposal and where these are held
- Explanation of how potential legal liability issues relating to disposal of assets are addressed
- A summary of assets disposed of within the past two years and the resulting income obtained

The following documents were provided to the Committee alongside additional explanations contained in emailed communications:

- Disposal of IT equipment policy;
- Sale of old Ex IT equipment dated 21-22 & 22-23;
- Copies of proceed from Stock Stores 21-22 & 22-23;
- Tender Awarding sample letter;
- Laptop purchase agreement;

Sample of "successful" letter issued by Transport Division to Tenderers



St Helena  
Government

Essex House,  
Jamestown,  
St Helena Island,  
SAO  
STHL1ZZ  
Tel: 22270

Email: [Vehicle.Fleet@sainthelena.gov.sh](mailto:Vehicle.Fleet@sainthelena.gov.sh)

24 November 2020

[REDACTED]

Dear [REDACTED]

**TENDER FOR MOTOR VEHICLES**

Thank you for your tender received on the 20 November 2020, tendering the sum of [REDACTED] (Thousand, Four Hundred Pound) for SHG 124, Vauxhall Brava Van and tendering the sum of [REDACTED] for SHG 119, Vauxhall Brava Van owned by the Transport Division of this Directorate.

I write to advise that your tender has been accepted in accordance with Section 40 of the Procurement Regulations 2014.

The vehicle is sold on an "as is" basis and no warranty is given or implied.

Please make payment of the agreed sum at the SHG Customer Services Centre to cost code [REDACTED] or alternatively to SHG's general account no: [REDACTED] at the Bank of St. Helena by no later than 30 November 2020.

Please present proof of payment to Mr. Nicholas George, Senior Transport Manager, Transport Division at Donkey Plain who will arrange for you to collect the vehicle. I would be grateful if collection of the above vehicle could be made by no later than 07 December 2020.

However, I write to advise that your tender for SHG 288 Vauxhall Brava Van was unsuccessful on this occasion.

Yours sincerely

Nicholas George  
Senior Transport Manager

St Helena Government, St Helena Island, South Atlantic Ocean, STHL 1ZZ  
[www.sainthelena.gov.sh](http://www.sainthelena.gov.sh)

Sample of Second Hand Laptop Purchase Agreement



CORPORATE INFORMATION & COMMUNICATIONS  
TECHNOLOGY

GOVERNMENT OF ST HELENA

*Tel No: (290) 22819 Fax No:*

*(290) 22818*

*E-mail: [itsm@sainthelena.gov.sh](mailto:itsm@sainthelena.gov.sh)*

Second Hand Laptop Purchase Agreement

I ..... Understand that by purchasing a second hand/used Laptop from the Corporate IT Section, Saint Helena Government, that it is sold on an as-is basis.

I accept that the Laptop is sold in its best state possible knowing that it is a used piece of equipment.

I also understand that there is no warranty or support offered with the Laptop from Corporate IT, Saint Helena Government.

Signature: \_\_\_\_\_

Date:

Written evidence from the Financial Secretary:

The following documents were provided to SC2 by the Financial Secretary:

- Briefing paper for Select Committee – June 2023 SHG Asset Disposal
- Public Finance Ordinance 2010
- Annex 1 - Procurement Regulations 2018
- Annex 2 - Financial Regulations 2019
- Annex 3 - Condition of Sale
- Annex 4 - Assets handed over to the Museum
- Annex 5 - Packing List
- Annex 6 - Inventory (large file) Ex-RMS St Helena
- Annex 7 - List of BR Plant, equipment and inventory for disposal

Written evidence received from Fuel Infrastructure Programme Manager:

SC2 requested further information and received a “vehicle list with description”.





**St Helena  
Government**

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17 May 2024

Dr Corinda Essex

Chair of Select Committee 2

Dear Dr Essex

I can confirm I have read the committees report on Asset Disposal and can confirm my acceptance of the recommendations and I'm satisfied with the responses that have been provided by the officers. Please find attached my responses to the proposed recommendations.

Sincerely

A handwritten signature in black ink, appearing to read 'Mark Brooks'.

Mark Brooks

Minister for Treasury and Economic Development



Draft responses to the recommendations on the Select Committee 2 report on Asset Disposals

Section:	Recommendations	Response
St Helena Government Regulatory Framework	<ol style="list-style-type: none"> <li>1. The current review of Procurement Regulations includes the relevant recommendations made within this Report and is completed by the end of the current financial year. The revised document should include procedures for Trading Accounts and projects under SHG.</li> <li>2. In parallel, the Public Finance Ordinance and Finance Regulations should be reviewed and amended as required to assure alignment with the new Procurement Regulations.</li> <li>3. During the review of the regulatory framework, consideration should be given to the possibility of providing appropriate incentives to encourage portfolios to maximise revenue from asset disposal.</li> <li>4. A new Central Asset Management role with key co-ordinating and monitoring responsibilities pertaining to Asset Management across SHG be in place by mid-2024.</li> <li>5. A specific Asset Disposal policy and associated guidelines to enhance transparency and accountability of asset disposal be drawn up and implemented by end 2024.</li> <li>6. This policy should make provision for disposal of assets for social reasons and establish clear criteria for the circumstances in which this is allowable. Consequential amendment of Regulations may be required to facilitate this.</li> </ol>	<ol style="list-style-type: none"> <li>1. The agreed recommendations will be incorporated into the procurement review, timeline to be determined.</li> <li>2. Agreed</li> <li>3. Consideration can be given, however when funds are originally expended on Assets, inventory etc they come from an allocation from Consolidated Fund or other funding source. Funds should be returned to be allocated centrally.</li> <li>4. Agreed subject to available funding, time lines to be determined.</li> <li>5. Agreed, timelines to be determined.</li> <li>6. Will be considered as part of the policy development process.</li> <li>7. Not agreed. The central Asset register is determine by our accounting policies</li> </ol>

	<ol style="list-style-type: none"> <li>7. SHG assets recorded on the Central Assets Register should be inclusive of items currently classed as inventory in order to ensure maximum value of disposal of such items and improve openness and transparency.</li> <li>8. SHG should change from a value-based system to define assets and instead define all assets, stocks and stores based on their usage.</li> <li>9. Where not already in place, an identification system that will ensure that all government assets are easily traceable and identifiable be implemented by the end of 2024.</li> <li>10. By July 2024, standardised documentation should be in place to be signed by all buyers of SHG assets to indemnify SHG in the event of the asset proving to be defective.</li> </ol>	<p>which are in line with international public sector accounting standards. No issue with a request to strengthen oversight of inventory systems and processes.</p> <ol style="list-style-type: none"> <li>8. As indicated above in point 7 and our follow up discussion, we cannot support the recommendation as drafted.</li> <li>9. The assets on the SHG Asset register are already identifiable. If this is about the traceability of inventory then this can be addressed.</li> <li>10. Agreed, timeline to be determined</li> </ol>
<p>Disposal of Ex-Basil Read Assets</p>	<ol style="list-style-type: none"> <li>1. All Ex-Basil Read assets identified for disposal, be disposed by not later than June 2024.</li> <li>2. Urgent measures should be put in place to ensure that such assets are stored in appropriate conditions to minimise deterioration and associated reduced value.</li> <li>3. By February 2024, written conditions are drawn up and signed before usage of ex Basil Read assets by third parties which emphasise that the onus is upon them to ensure that the vehicles are fit for use, comply with road safety requirements and are appropriately insured.</li> </ol>	<ol style="list-style-type: none"> <li>1. Agreed, timeline to be determined</li> <li>2. This is already in place</li> <li>3. This is already in place</li> </ol>

	<p>4. A comprehensive set of clear guidelines and appropriate documentation be developed by mid-2024 to provide indemnity for third party use of any Government vehicle.</p>	<p>4. Not sure how this is related to disposal of Assets? However from the follow up discussions the purpose of the recommendation is to limit SHG's liabilities to 3<sup>rd</sup> parties, in principle this is supported and already in use by the Government Garage.</p>
Disposal of Ex-RMS Assets	<p>1. That SHG learns lessons from the weaknesses apparent relating to disposal of these assets and addresses these in the recommended Asset Disposal Policy and guidelines.</p> <p>2. An appropriate valuation methodology is developed for assets of cultural/historic value by end 2024.</p> <p>3. A cultural asset register be established by end 2025 that is to be regularly assessed and publicly accessible.</p>	<p>1. Agreed</p> <p>2. Need to determine the cost benefit of committing what will be a huge level of resource to undertake this work.</p> <p>3. Will consider the implications this have for resources</p>
Disposal of IT equipment and consumables	<p>1. With immediate effect, verified checks are made to ensure that all storage devices are removed from IT equipment prior to it being sold and that these items have been destroyed in compliance with SHG policies.</p> <p>2. It must be ensured that the live data base to be procured will be suitable for the IT Section needs and tailored to the IT assets.</p> <p>3. Legal advice is sought regarding the wording of letters provided to purchasers of IT equipment as a matter of urgency.</p>	<p>1. Agreed</p> <p>2. Agreed</p> <p>3. This would be covered by recommendation 10 above.</p>





