



**St Helena  
Government**

**ST HELENA GOVERNMENT**

**AUDIT ST HELENA**  
**PERFORMANCE AUDIT: RECOMMENDATIONS**  
**FOLLOW-UP, JANUARY 2026**

*LAYS UPON THE TABLE 5 FEBRUARY 2026*





**AUDIT ST HELENA**  
External Auditors

**Performance Audit:**  
**Recommendations Follow-up**

January 2026

*Audit St Helena is the body that carries out financial and performance audits on behalf of the Chief Auditor.*

*The Chief Auditor is an independent statutory office with responsibilities set out in the Constitution and the Public Finance Ordinance. Section 29(2) of the Ordinance requires the conduct of performance audits on behalf of the Legislative Council to determine whether resources have been used with proper regard to economy, efficiency and effectiveness.*

*This report has been prepared in accordance with section 29(2) and published by the Chief Auditor, Brendon Hunt. The audit team consisted of Omence Murawu and Camilla Thomas with assistance from David Brown.*

## CONTENTS

ABBREVIATIONS .....	4
INTRODUCTION .....	5
BACKGROUND.....	5
OBJECTIVE, SCOPE AND METHODOLOGY .....	6
KEY FACTS .....	7
FINDINGS .....	9
CONCLUSION .....	19
APPENDIX ONE.....	20
LIST OF OUTSTANDING RECOMMENDATIONS.....	20

## ABBREVIATIONS

AFF	Airport Fuel Facility
BFI	Bulk Fuel Installation
DFID	UK Department for International Development
ESH	Enterprise St Helena
ExCo	Executive Council
FCDO	UK Foreign, Commonwealth and Development Office
FY	Financial year
GDP	Gross domestic product
ISSAI	International Standards for Supreme Audit Institutions
KPI	Key performance indicator
LegCo	Legislative Council
NED	Non-executive director
PAC	Public Accounts Committee
SAI	Supreme audit institution
SCE	State-controlled entity
SEDS	Sustainable Economic Development Strategy
SHG	St Helena Government
SHHDL	St Helena Hotel Development Ltd
STC	Saints Tuna Corporation
UK	United Kingdom

## INTRODUCTION

### BACKGROUND

Audit St Helena is the supreme audit institution (SAI) for St Helena with the mandate to carry out financial and performance audits on behalf of the Chief Auditor. The International Standards for Supreme Audit Institutions (ISSAI) define performance auditing as an independent, objective and reliable examination of whether government undertakings, systems, operations, programmes, activities or organisations are operating in accordance with the principles of economy, efficiency and effectiveness, and whether there is room for improvement.

The SAI has a role in monitoring action taken by the responsible party in response to the matters raised in an audit report. ISSAI standards require the auditor to follow up, as appropriate, on previous audit findings and recommendations and report to the legislature on the conclusions and impacts of all relevant corrective actions. A follow-up is designed to validate whether the audited entity has adequately addressed any identified problems and remedied the underlying deficiencies.

This follow-up audit seeks to add value by encouraging the audited entity – here the St Helena Government (SHG) – and other intended users of audit reports to give due regard to previously issued reports, their findings and their proposed recommendations. In that way it provides an internal learning platform for both SHG and Audit St Helena.

This report reviews progress on the implementation of recommendations from the following previously issued performance audit reports. The full reports are available via each hyperlink:

- [Vehicle Customs Revenue – June 2012](#)
- [St Helena Airport Project Overview – June 2015](#)
- [Managing Grants and Subsidies – March 2016](#)
- [Corporate Governance of the St Helena Government Group Entities – February 2018](#)
- [Jamestown Hospital Refurbishment – September 2019](#)
- [Procurement of the Sea Freight Service Contractor – September 2019](#)
- [The 1, 2, 3 Main Street Hotel Development – February 2020](#)
- [Benchmarking Primary and Secondary Education – July 2020](#)
- [The Bulk Fuel Installation Project – September 2020](#)
- [Benchmarking Health – October 2021](#)
- [Enterprise St Helena – July 2022](#)
- [Fibre Optic Cable Network Project – January 2025](#)
- [Fishing Operations Agreement – March 2025](#)

## OBJECTIVE, SCOPE AND METHODOLOGY

The objective of this follow-up audit is to identify and document the progress made by SHG in implementing performance audit recommendations since our last follow-up report, which was published in August 2024 and laid before Legislative Council as Sessional Paper 26/2024.<sup>1</sup> That report included updates conveyed to us by SHG management from July through October 2023, with certain additional updates requested in February 2024 and received through May 2024. For this report we engaged with SHG primarily from July through December 2025, with some additional follow-up in January 2026.

In the execution of this follow-up audit, Audit St Helena took the following approach to assess the extent to which SHG had implemented the agreed-upon actions resulting from our recommendations:

- We updated our consolidated recommendations register for relevant published reports and enquired as to the status of previously agreed-upon actions based on the implementation timelines provided by SHG management.
- We validated the responses where SHG indicated that recommendations had been implemented.
- We closed all the recommendations that were identified as either implemented or superseded by later events.
- Where a recommendation that remains relevant had not been implemented, we obtained a new target date for implementation where possible.

---

<sup>1</sup> Audit St Helena, *Performance Audit: Recommendations Follow-up* (August 2024).

## KEY FACTS

### Implementation progress of outstanding recommendations from reports we reviewed in our last follow-up audit

Report	Issue date	Total recs.	Outstanding as of 2024 follow-up audit	Closed since 2024 follow-up audit	Percentage closed since 2024
Vehicle Customs Revenue	Jun 2012	6	1	1	100%
St Helena Airport Project Overview	Jun 2015	8	2	2	100%
Managing Grants and Subsidies	Mar 2016	11	5	4	80%
Corporate Governance of the St Helena Government Group Entities	Feb 2018	16	6	1	17%
Jamestown Hospital Refurbishment	Sep 2019	11	2	2	100%
Procurement of the Sea Freight Service Contractor	Sep 2019	11	3	0	0%
The 1, 2, 3 Main Street Hotel Development	Feb 2020	8	3	2	67%
Benchmarking Primary and Secondary Education	Jul 2020	5	1	1	100%
The Bulk Fuel Installation Project	Sep 2020	4	3	0	0%
Benchmarking Health	Oct 2021	5	3	1	33%
Enterprise St Helena	Jul 2022	3	3	2	67%
<b>Total</b>		<b>88</b>	<b>32</b>	<b>16</b>	<b>50%</b>

As shown above, half of the 32 open recommendations from legacy reports were implemented or superseded, and the other 16 remain outstanding. SHG made important progress on closing recommendations that had been pending for long periods – in one case more than 13 years. While five recommendations are still outstanding from the February 2018 *Corporate Governance* report, we do note the

closing out of all remaining recommendations included in the *Vehicle Customs Revenue*, *Airport Project Overview*, *Hospital Refurbishment* and *Benchmarking Education* audit reports.

**Implementation progress of recommendations from reports published since August 2024 and thus not included in our last follow-up audit**

<b>Report</b>	<b>Issue date</b>	<b>Total recs.</b>	<b>Closed as of this audit</b>	<b>Percentage closed</b>
Fibre Optic Cable Network Project	Jan 2025	8	1	13%
Fishing Operations Agreement	Mar 2025	4	1	25%
<b>Total</b>		<b>12</b>	<b>2</b>	<b>17%</b>

While the rate of implementation for these reports' recommendations was low, we recognise that not much time has passed since publication. We will look for more management actions on these newer recommendations in our next follow-up.

## FINDINGS

This section summarises our findings regarding progress in the implementation of recommendations since our last follow-up and proposes a way forward for outstanding recommendations as appropriate. A full list of outstanding recommendations is included in the appendix to this report.

### Vehicle Customs Revenue – June 2012

Total outstanding recommendations	Recommendations closed (implemented or superseded)	Recommendations not closed
1	1	0

In our 2016 and 2020 follow-ups there was one remaining open recommendation from this report: "Evidence detailing the follow-up of late payment [of customs duty] needs to be held and recorded on file." Management acknowledged the need to put in place a follow-up record for unpaid duties in addition to the current system having the ability to produce a report of the same. At the time of our last follow-up, they had developed a checklist for discrepancies which facilitated the tracking of unpaid declarations. As the checklist was expected to be first used for the October 2023 voyage of the island's supply ship, we left this recommendation open for monitoring purposes.

During this round of follow-up, Customs staff provided evidence showing that (1) merchants and other approved importers are blocked from receiving goods if they have not paid duty on past imports after 28 days and (2) their database can be queried to generate reports of outstanding waybills, which are then used for research and follow-up. Further, staff said the design of the new Customs facilities at Rupert's tends to increase timely compliance. As such, this recommendation is closed as implemented.

### St Helena Airport Project Overview – June 2015

Total outstanding recommendations	Recommendations closed (implemented or superseded)	Recommendations not closed
2	2	0

The two outstanding recommendations since the last follow-up audit were implemented as follows:

*Recommendation 3: All future capital projects as well as Phase 2 for this project should have a defined risk management strategy drafted in accordance with ERM or equivalent standard e.g. AS/NZS ISO 31000: 2009.*

Management indicated that risk management for capital projects is now an integral part of SHG’s project and programme management architecture. A new risk management process is embedded within a revised risk governance structure. According to SHG, risk management will be subject to continuous review and improvement.

*Recommendation 5: Management should design a detailed integrated assurance and audit programme for Phase 2 of the project.*

SHG’s new project terms of reference prescribe that the project manager bears the responsibility for drawing up the assurance plan for capital projects. It is management’s view that, since this was raised with a focus on Phase 2 of the Airport Project, the establishment of St Helena Airport Limited to manage operations closes the recommendation. We maintain that the recommendation in fact applies to all capital projects, but now that the project manager has a defined responsibility to create an assurance programme for each project, the recommendation can be closed.

#### **Managing Grants and Subsidies – March 2016**

Total outstanding recommendations	Recommendations closed (implemented or superseded)	Recommendations not closed
5	4	1

During the current follow-up, the evidence provided suggests that four of the five outstanding recommendations can be considered resolved. Subsequent policies have outlined the criteria for awarding subsidies and the associated terms for grants, thereby addressing one of the recommendations. Apart from the policies, SHG also shared a copy of an offer letter. The letter sets out the key performance indicators (KPIs) and reporting requirements as mechanisms for monitoring compliance with grant terms.

In addition, as we recommended SHG now receives midterm reports as well as close-out reports at the end of the funding term or upon completion of the funded activity. These detail how the grant or subsidy recipients have progressed towards achieving the intended outcomes.

However, SHG still needs to address how it would handle instances where a grant or subsidy recipient, such as Connect, the Equality and Human Rights Commission or a community organisation generates a profit. Consequently, the recommendation relating to this matter remains open.

**Corporate Governance of the St Helena Government Group Entities – February 2018**

Total outstanding recommendations	Recommendations closed (implemented or superseded)	Recommendations not closed
6	1	5

Three of the six outstanding recommendations from our previous follow-up relate to amendments to legislation that would better enable various bodies to perform their oversight roles on state-controlled entities (SCEs). The previously named responsible party, the Attorney General, indicated in 2024 that with the introduction of the ministerial system any required legislative initiatives should be introduced by the Financial Secretary and the appropriate Minister.

The Financial Secretary shared a quarterly 'dashboard' that is produced for all SCEs and shared with the Treasury Minister, Governor and Cabinet. This has been in operation for the last 2 years, so the additional oversight we recommended has been accomplished without legislation. That recommendation is now closed, while the following items remain open:

- The legislative amendment requiring all SCEs' audited annual financial statements and any other accompanying reports to be laid before Legislative Council so that they are regularly scrutinised by the Public Accounts Committee (PAC) rather than brought to PAC attention by the Chief Auditor as a matter of importance. The Financial Secretary told us this could be accomplished more quickly by requiring all entities receiving government subsidies to lay their financial reports before Legislative Council as a condition of the funding. We concur and will monitor the implementation of such a requirement in the coming financial year.
- Legislation that would enable the establishment of regulatory authorities in those service sectors where SHG has an interest through its SCEs so as to achieve its regulatory objectives. The Financial Secretary noted that the government-owned hotel on Main Street is the only SCE that is not covered by some form of regulatory function. SHG is currently exploring a partial or full divestment of that property, so we will monitor those developments.

The remaining three recommendations propose improvements in how SHG composes SCE boards, what information they publicly disclose and the protocols for public officers who choose to serve on them. Progress on these matters is detailed in Appendix One.

### Jamestown Hospital Refurbishment – September 2019

Total outstanding recommendations	Recommendations closed (implemented or superseded)	Recommendations not closed
2	2	0

As of our last follow-up audit, SHG had hired a Monitoring, Evaluation and Learning Officer who they indicated would develop cost and benefit monitoring plans for all capital projects. SHG now has a monitoring and evaluation framework applied to capital projects at the inception stage and included in the overall monitoring systems through project and programme boards.

The second of the two outstanding recommendations required SHG to commission an analysis of the financial impacts of the refurbishment and determine whether cost savings are being realised as a result of procedures that formerly required overseas medical travel now being performed on-island. Management indicated that there are no quantifiable cost savings associated with the physical improvements of the hospital. However, having a CT scanner has saved “a considerable sum of money” and enabled better local diagnosis without the cost of sending patients to South Africa.

Given SHG's updates and actions across 6 years we are closing the two remaining recommendations from this report.

### Procurement of the Sea Freight Service Contractor – September 2019

Total outstanding recommendations	Recommendations closed (implemented or superseded)	Recommendations not closed
3	0	3

Since our last follow-up SHG has revised its procurement regulations. However, the following recommendations remain open:

- The introduction of a standstill period into the procurement regulations before a contract is signed, in which rejected bidders are given the reasons for rejection so they can make an informed decision about whether to appeal.
- There remains ambiguity in the definitions of ‘award decision’ versus ‘contracting decision’ in the regulations.
- Development of additional checklists and/or templates to ensure fulfilment of each procurement’s documentation requirements. According to management, training materials are currently in development along with additional guidance documents to support the new regulations – these will include checklists.

### The 1, 2, 3 Main Street Hotel Development – February 2020

Total outstanding recommendations	Recommendations closed (implemented or superseded)	Recommendations not closed
3	2	1

In our previous follow-up, we kept the recommendation to account for optimism bias in project planning open as evidence of implementation could not be provided. We did the same with our recommendation to develop a methodology for periodically revisiting forecasts, particularly where sensitivity analysis shows that changes to assumptions would significantly alter model outputs. During the current follow-up, management indicated that a new business case template addressed both of these concerns. Upon reviewing the template, related guidance and examples of completed business cases we agree and have closed the two recommendations.

Apart from the recommendations above, SHG still needs to design a structured divestment strategy for the hotel outlining timeline, expected sale price, buyer conditions, expected benefits and costs, and financial impact. The Financial Secretary provided an update on divestment efforts as detailed in Appendix One.

### Benchmarking Primary and Secondary Education – July 2020

Total outstanding recommendations	Recommendations closed (implemented or superseded)	Recommendations not closed
1	1	0

During the 2024 follow-up, we established that SHG had made progress in analysing the benefits and costs of consolidating provision of primary education at a single site with final feedback awaited from the contractor. SHG has since assessed its various options and decided to reduce its primary schools from three to two, consolidating Key Stage 1 students at one of the schools and Key Stage 2 students at the other. Although not a single site, consolidation by key stage achieves the primary purpose of the recommendation, which was to better concentrate academic resources on students. As such, we have closed the recommendation.

### Bulk Fuel Installation Project – September 2020

Total outstanding recommendations	Recommendations closed (implemented or superseded)	Recommendations not closed
3	0	3

The three outstanding recommendations remain open, though SHG has made significant progress since our last follow-up. Those recommendations are:

- To work with the UK government to publish an expected timeline for resolving outstanding design issues at the new Bulk Fuel Installation and Airport Fuel Facility.
- To obtain a valuation of the new fuel system for accounting purposes once construction is complete.
- To keep businesses and the public informed of the new fuel pricing model so that they can prepare for any future changes.

After conducting a feasibility study and considering its options, SHG has reached an agreement to commission the new BFI. There is a related procurement process underway to identify a suitable contractor to install a pipeline on the Rupert's jetty, thus removing the need for the floating hose system going forward. This procurement is expected to conclude in March 2026, after which an indicative timeline should be available. System valuation and the development of a new pricing model (if necessary) would then follow.

#### **Benchmarking Health – October 2021**

<b>Total outstanding recommendations</b>	<b>Recommendations closed (implemented or superseded)</b>	<b>Recommendations not closed</b>
<b>3</b>	<b>1</b>	<b>2</b>

The Health and Social Care Portfolio has made significant progress in improving its recruitment process and attracting the desired professionals. In addition, in consultation with the Attorney General's office they have agreed on indemnity cover for all health and social care professionals. This sufficiently addresses the open recommendation on recruitment and retention of doctors and other qualified staff.

The following issues remain outstanding:

- The portfolio should urgently prioritise the establishment of an electronic patient record system that can address the needs of all users and in particular can produce timely reports required by those users.
- SHG should examine the advantages and disadvantages of creating a national healthcare insurance scheme that would establish an investment-backed fund designed to meet the long term health needs of St Helena's population, including the cost of overseas medical referrals.

Although progress has been made in establishing a suitable electronic patient record system, further work is needed. Management stated that they are currently working to upgrade the system and waiting for the provider to present a proposal with the expectation of implementing the new system in FY 2026/27.

With respect to healthcare insurance, a consultant is being sought to consider the

introduction of some form of national health contributory scheme.

### Enterprise St Helena – July 2022

Total outstanding recommendations	Recommendations closed (implemented or superseded)	Recommendations not closed
3	2	1

SHG's Monitoring, Evaluation and Learning Officer worked with the Economic Development team to establish a series of key performance indicators to measure progress in the island's economy. Also, the new Sustainable Economic Development Strategy (SEDS) includes two KPIs – population growth and government revenue. Finally, we reviewed a paper submitted to the FCDO proposing seven KPIs to measure SHG's success with respect to economic development, including increases in working-age population, real median wages and GDP.

In addition, management stated that businesses no longer receive financial assistance from the government or any arm's-length bodies. This renders moot our recommendation to consider various financial and non-financial impacts of businesses that receive assistance from the government, and as such it is closed.

SHG partially implemented the third recommendation, which required the government to give due regard to advice by specialist consultants such as Aquila Aviation. However, it has not publicly reported on the progress in implementing those recommendations. As a result, we will keep this recommendation open for at least one more follow-up reporting cycle to encourage additional transparency.

### Fibre Optic Cable Network Project – January 2025

Total outstanding recommendations	Recommendations closed (implemented or superseded)	Recommendations not closed
8	1	7

This is a recent report in which SHG has fully implemented one recommendation and partially addressed three more. The actions taken are as follows:

- The Communications Ordinance 2025 was enacted, establishing a new regulatory framework for telecommunications in St Helena. The new ordinance provides more controls for access to electronic communications infrastructure such as poles, ducts and transmission towers. Consequently, we closed the corresponding recommendation.
- Despite updating the public about the changes to the telecommunication regulations, the timeframes for the decision on the technological solution have

not been made known to the St Helena community. Management commented that it is not possible at this time.

- With the enactment of the new Communications Ordinance, the government is now in a position to issue new licences (or extend the current one) under the new regulatory framework. It is noteworthy that the government emphasised that any new licence will be issued under the new regulation; however, the extension of the current licence was not subject to the new framework. Therefore, the recommendation will remain open until SHG has demonstrated a commitment to issuing new communications licences that are subject to the Communications Ordinance 2025.
- Lastly, consultants working for SHG have circulated a draft Digital Strategy for comment. Further, the Sustainable Economic Development Strategy includes actions to improve connectivity and address the digital divide.

We did not get a response for the remaining recommendations that call for planning island-wide projects such that all relevant governmental departments avail their regulatory or procedural expertise; engaging key stakeholders at an early stage to raise awareness and buy-in; and defaulting the lead for planning, governance and project management for strategic projects to the Programme Management Office for better consistency and quality. Also remaining unaddressed is the adoption of a policy to sign contracts strictly with the same business entity that submitted the winning bid unless the Procurement Board gives its express permission to do otherwise.

#### **Fishing Operations Agreement – March 2025**

<b>Total outstanding recommendations</b>	<b>Recommendations closed (implemented or superseded)</b>	<b>Recommendations not closed</b>
<b>4</b>	<b>1</b>	<b>3</b>

This is another recently issued report, and one of the four recommendations has already been implemented. That recommendation required SHG to urgently engage with Saints Tuna Corporation (STC) to resolve the structural problem with the culvert behind its Rupert’s factory. According to STC, the company now has plans to resurface the area up to the culvert in such a way that it will be able to once again move containers of fish bound for the export market from the rear of its factory to the wharf, as agreed with SHG.

Management has confirmed that the Vessel Licensing Policy is currently being developed by the responsible portfolio. The policy will include supporting regulations designed to give full effect to the requirements of the Ports Ordinance, including

provisions for vessel registration. We will leave this recommendation open until the new policy is adopted.

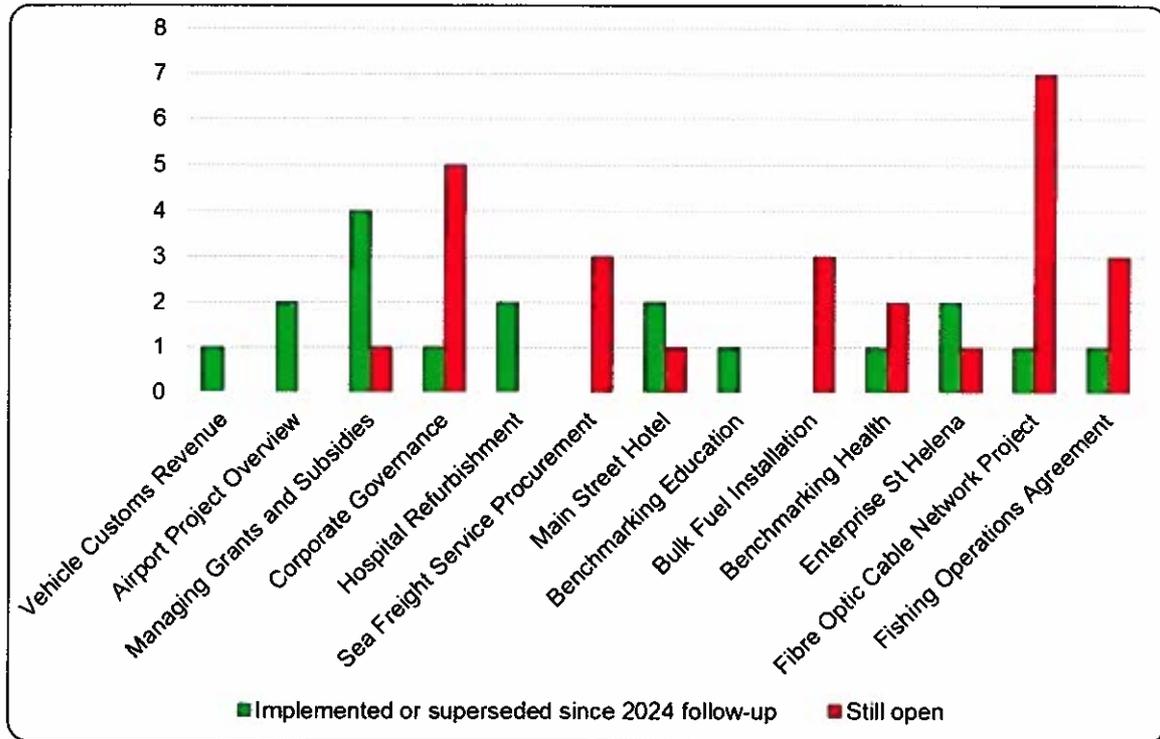
At the time of this follow-up, work to address the remaining two recommendations had not yet commenced. These recommendations involve the issuing of addenda to the Fishing Operations Agreement to clarify the parties' obligations under the agreement and make it easier to terminate the agreement when necessary.

**Summary of recommendation closure progress since last follow-up report**

	Recommendations closed (implemented or superseded)	Recommendations not closed	Total
<b>Count</b>	18	26	<b>44</b>
<b>Percentage</b>	41%	59%	<b>100%</b>

The chart on the following page summarises SHG’s progress in closing outstanding recommendations for all 13 performance audit reports issued from June 2012 through March 2025 that have open recommendations. As in the tables above, the counts in the chart reflect open recommendations as identified in our last follow-up report as well as those found in our two new performance audits published since then.

**Number of recommendations implemented or superseded since last follow-up report and those still open, by audit report**



## CONCLUSION

We found a 41% closure rate of outstanding recommendations compared to 66% from our 2024 follow-up. If we exclude the 12 newly issued recommendations from 2025 the closure rate improves to 50%, which indicates a reasonable effort from SHG given the complexity of some of the open matters. Further, SHG made progress in several areas that puts the government in position to implement additional recommendations in the near future. Finally, as noted above, we commend the efforts by responsible officers to implement recommendations published in our *Vehicle Customs Revenue*, *Airport Project Overview*, *Hospital Refurbishment* and *Benchmarking Education* audit reports, all of which saw 100% implementation of previously open recommendations.

In the coming months we plan to develop an online recommendation tracking and reporting website that will be accessible to SHG for updates and available for the public to view. It is hoped that this will lead to more frequent management updates and ultimately more timely implementation of audit recommendations.

All outstanding recommendations, responsible parties as assigned by SHG, updates from SHG and our comments are detailed in the appendix to this report.



Brendon Hunt

Chief Auditor for St Helena Island  
28 January 2026

## APPENDIX ONE

### LIST OF OUTSTANDING RECOMMENDATIONS

No.	Recommendation	Responsible party	Management updates over time and our comments <sup>2</sup>
<b>Managing Grants and Subsidies – March 2016</b>			
	<i>For the larger grants and subsidies we recommend the policy framework and associated administrative procedures should include the following specifics (4b through 4e):</i>		
1	<b>4b.</b> The policy should deal with instances where subsidy receiving bodies make a profit/surplus and the resulting treatment of those funds.	Financial Secretary – Head of Accounting Services	This is not applicable at this time as subsidy is only provided to entities where there are deficits, however this will be addressed in the next policy review scheduled for Q4 of 2023/24. (Oct 2023)  Audit comment: Grant and subsidy recipients, including Connect, Mantis Hotel and St Helena Airport, have the potential to generate profits or surpluses. It remains important for a policy to address future situations where such profits or surpluses occur. (Jan 2026)

<sup>2</sup> Some management updates have been edited for clarity.

**No. Recommendation Responsible party Management updates over time and our comments**

**Corporate Governance of the St Helena Government Group Entities – February 2018**

2	<p>1. Legislation should be amended to ensure that all SCEs' audited Annual Financial Statements, Management Letters and any other accompanying reports be laid in LegCo so that they are scrutinised by the PAC rather than brought to PAC attention by the Chief Auditor as a matter of importance.</p>	Financial Secretary	<p>Public Accounts Bill (new legislation) is included on the Legislative Programme which is still to be prioritised. (May 2020)</p> <p>[T]hese recommendations... stem from when the Committee system was in operation. As you may know the Constitution was changed with the introduction of Ministerial Government. It follows that it is not for the AG to introduce these amendments in a new Public Finance Bill but for the Financial Secretary and the Minister to do so if so advised... (Apr 2024)</p> <p>It is proposed that this can be achieved for those entities in receipt of a subsidy from SHG through including the requirement to lay the reports before LegCo as a condition of the grant. This is likely to achieve a far quicker outcome than taking through the legislative amendment route. Can be done for FY 2026/27. (Jan 2026)</p> <p>Audit comment: We concur with this alternative approach. To remain open until the next round of follow-up to confirm this requirement is included as a condition of grants. (Jan 2026)</p>
---	---	---------------------	--

No.	Recommendation	Responsible party	Management updates over time and our comments
3	<p>3. SHG should develop and implement legislation that will enable the establishment of regulatory authorities in those service sectors where it has an interest through its SCE so as to achieve its regulatory objectives.</p>	Financial Secretary	<p>This will be considered by Legislative Council and will be prioritised in line with the priorities of the Council, from 1 April 2018. (Feb 2018)</p> <p>[T]hese recommendations... stem from when the Committee system was in operation. As you may know the Constitution was changed with the introduction of Ministerial Government. It follows that it is not for the AG to introduce these amendments in a new Public Finance Bill but for the Financial Secretary and the Minister to do so if so advised... (Apr 2024)</p> <p>The only [SCE] that is not regulated by an established regulatory authority is St Helena Hotel Development Ltd; all other entities are covered by some form of regulatory function. Therefore it is suggested that this recommendation be closed as no longer relevant. (Jan 2026)</p> <p>Audit comment: To remain open until the hotel is partially or fully divested (see item 10). (Jan 2026)</p>
4	<p>9. SHG should develop and implement a board nomination process for SCEs so as to achieve well-structured, merit-based and transparent boards, and ensure that SHG interest is represented through making direct appointment to each SCE board either as Chairman or Director as appropriate.</p>	Deputy Chief Secretary	<p>SHG employs a single individual to represent its interests on Boards of SCEs. (Oct 2023)</p> <p>Reform is required to enable SHG to achieve the goals of the recommendation including a policy framework and process for making non-executive director (NED) appointments... Pending these reforms I have worked with State Owned Entities (SOEs) to begin to implement reforms in Board composition and NED selection and appointment. (SHG's SOE Non-Executive Director, Apr 2024)</p> <p>Audit comment: No update received from SHG in 2025.</p>

No.	Recommendation	Responsible party	Management updates over time and our comments
5	12. SHG should develop a disclosure policy for SCEs that identifies what information should be publicly disclosed, the appropriate channels for disclosure and mechanisms for ensuring quality of information.	Non-Executive Director for SCEs	Agreed subject to the provision of resources, from 1 April 2018. (Feb 2018) SHG will consider the need for a disclosure during the 2026/27 financial year. This should be reassigned to the SHG Non-Executive Director. (Jan 2026) Audit comment: Reassigned per comment from Financial Secretary. (Jan 2026)
6	14. SHG should set clear policy on the attendance and remuneration of public officers serving on public boards in an ex-officio capacity and that any directors' fees should accrue to the revenues of St Helena Government.	Deputy Chief Secretary	Policy for remuneration of public officers still to be drafted. (Oct 2023) An email was shared from the Chief Secretary in Oct 2025 which clarifies the position, recommend closing. (Jan 2026) Audit comment: Email from the (now former) Chief Secretary asked Human Resources to formalise the policy. HR management indicated they were aware of the request but were awaiting additional capacity before it could be actioned. To remain open for monitoring. (Jan 2026)

No.	Recommendation	Responsible party	Management updates over time and our comments
<b>Procurement of the Sea Freight Service Contractor – September 2019</b>			
7	7. SHG should introduce to the procurement regulations a standstill period before a contract is signed, in which the rejected bidders have been informed of their reasons for rejection and can make an informed decision whether to appeal the decision or not.	Head of Procurement Services	<p>Procurement regulations currently under full review and will be concluded (all recommendations made) by end of 2023. (Oct 2023)</p> <p>Updated regulations were introduced in November 2024, a standstill period was not introduced at that time. Another review of the regulations is currently underway and this will be considered as part of that review. Target date for the review to be completed is March 2026. (2025)</p> <p>Agree. will be considered in the next review of the procurement regulations due for completion by March 2027. (Jan 2026)</p> <p>Audit comment: To remain open for review of any changes to the regulations. (Jan 2026)</p>
8	8. SHG should consider developing additional checklists and/or templates to ensure fulfilment of the documentation requirements and verifiability for the actual execution of the procurement according to the regulations.	Head of Procurement Services	<p>Partly implemented with the use of a Rolling Procurement Plan which covers pre-requisite assurances. There is still room for improvement by introducing an additional checklist covering the documentation requirements and actual execution of the procurement under the regulations. (Oct 2023)</p> <p>Training materials are currently in development, along with additional guidance documents to support the new regulations. These will include checklists. (2025)</p> <p>Audit comment: To remain open while guidance documents are being developed. (2025)</p>

No.	Recommendation	Responsible party	Management updates over time and our comments
9	<p>11. SHG must update <i>Procurement Regulations Part 8: Definitions</i> to reduce ambiguity and strengthen the overall regulations, being sure to include the definitions of 'award decision' and 'contracting decision'.</p>	<p>Head of Procurement Services</p>	<p>Procurement regulations currently under full review and will be concluded (all recommendations made) by end of 2023. (Oct 2023)</p> <p><i>Part 8: Definitions</i> was revised in the latest version of the regulations. Though without details of exactly which definitions were in question over their ambiguity it is not possible to definitely say this has been addressed. (2025)</p> <p>Audit comment: While neither definition has been added, the meaning of 'award decision' seems clear from the way the term is used in the current regulations. However, 'contracting decision' still appears twice, apparently to mean the same thing as 'award decision' but this is not clear. It would be best to settle on one of those terms during the next review, or define them both if they are different. (2025)</p>

No.	Recommendation	Responsible party	Management updates over time and our comments
10	<p>h. SHG should design a structured divestment strategy for the hotel which outlines:</p> <ul style="list-style-type: none"> <li>• Timeline</li> <li>• Expected sale price</li> <li>• Buyer conditions</li> <li>• Expected benefits and costs</li> <li>• Prudential financial impact</li> </ul>	Financial Secretary	<p>Accepted. The different components of an exit strategy exists and will be brought together.</p> <p>The Hotel was constructed in the expectation that it would be released to the private sector at the earliest opportunity. SHG is not in the business of running hotels, directly or indirectly. SHG subsidy is planned to end in 2022.</p> <p>The Hotel, including the freehold, featured in the St Helena Investor prospectus launched by ESH in November 2019. ESH is promoting the Hotel as an investment opportunity. SHG's aspiration is to recover cost of its investment. (Feb 2020)</p> <p>SHG have engaged transaction advisory consultants to develop options for the disposal of its shareholding in SHHDL. Taka Capital have been engaged, options were put before Ministers in 2025 where consideration was given to either partial or full disposal of the Hotel. Ministers agreed to explore a partial disposal although will also consider full disposal of the hotel.</p> <p>Taka Capital are currently in the middle of market engagement with potential buyers for the hotel, once this process has been completed options will be presented to ExCo for consideration as to the final decisions on the disposal of the SHHDL. (Jan 2026)</p> <p>Audit comment: To remain open until ExCo adopts a way forward. (Jan 2026)</p>

No.	Recommendation	Responsible party	Management updates over time and our comments
11	1. Work with DFID to publish an expected timeline for resolving outstanding design issues at the new BFI and AFF. <sup>3</sup>	Chief Secretary / Financial Secretary / Procurement	<p>In Progress. Key stakeholders are aware of indicative timelines. An organisation to conduct feasibility and design studies is out for tender. The result of this work will include a project programme for completions. (Oct 2023)</p> <p>Agreement has been reached to commission the new BFI. After the feasibility study was undertaken and options considered, it was recommended that a new pipeline be installed on the jetty removing the need for the float hose system going forward.</p> <p>A new scope of works has been finalised and a procurement exercise has been undertaken to find a suitable contractor to undertake the completion and commissioning of the BFI. This procurement is still live but is expected to conclude in March 2026 after which a revised timeline can be provided. (Jan 2026)</p> <p>Audit comment: To remain open until the timeline is provided. (Jan 2026)</p>

<sup>3</sup> In 2020 DFID was dissolved with its functions merged into the new FCDO.

No.	Recommendation	Responsible party	Management updates over time and our comments
12	3. Obtain a valuation of the new fuel system for accounting purposes once construction is complete.	Deputy Financial Secretary	<p>The implementation of this recommendation is dependent on the completion of the construction works. Once completed the Treasury will seek to obtain a valuation to be undertaken for accounting purposes. (October 2023)</p> <p>Agreed and is a requirement of the Financial Statements in any case. Recommend closing. (Jan 2026)</p> <p>Audit comment: To remain open until construction is complete and a valuation is obtained. (Jan 2026)</p>
13	4. Keep businesses and the public informed about the new fuel pricing model so that they can prepare for any future changes in fuel costs.	Deputy Financial Secretary	<p>The model has not changed in 5 years. Should the model change this will be communicated to the public. Changes in fuel prices based on that pricing model are notified to Solomon &amp; Company who are responsible for informing wholesale customers and the public. It should be noted that sharing changes to the model will not give the businesses or the public an indication of future fuel price changes since the pricing depends on global fuel prices and this has been extremely volatile in the past 2 years. (Oct 2023)</p> <p>If there is a need to amend the fuel pricing model this will be communicated to the public in advance, this is unlikely to occur within the next 2 years. Recommend closing. (Jan 2026)</p> <p>Audit comment: Understood but it would be premature to close this recommendation before the facility is operational and in use, with any early effects on fuel pricing known. (Jan 2026)</p>

No.	Recommendation	Responsible party	Management updates over time and our comments
<b>Benchmarking Health – October 2021</b>			
14	2. The Directorate should urgently prioritise the establishment of an electronic patient record system that can address the needs of all users and in particular can produce timely reports required by those users.	Health and Social Care Portfolio Director	A business plan for the new clinical informatics system/upgrade has been completed, now awaits implementation. (Oct 2023)  Work is in progress. Health is in ongoing communication with the system provider, who is actively working on the upgrade. The provider will present the proposed upgrade for implementation consideration. This work is expected to be completed by the end of the current financial year and implementation to commence in the next financial year. (2025)
15	5. SHG should examine the advantages and disadvantages of creating a national healthcare insurance scheme that would establish an investment-backed fund designed to meet the long-term health needs of St Helena's population, including the cost of overseas medical referrals.	Financial Secretary	Audit comment: Will remain open to confirm implementation. (Jan 2026)  Terms of reference for a consultant to undertake a review of long term pension requirements and to look at the introduction of some form of National Health contributory scheme have been drafted. Ministers have asked for this work to be prioritised in FY 2026/27. (Jan 2026)  Audit comment: To remain open pending the completion of the review. (Jan 2026)

No.	Recommendation	Responsible party	Management updates over time and our comments
<b>Enterprise St Helena – July 2022</b>			
16	<p>3. To ensure that advice from specialists received after SHG absorbed ESH's functions is given due consideration, SHG should direct the appropriate personnel to review the 13 recommendations in FCDO's June 2021 ESH Programme Completion Report and publicly report on their progress implementing each. These recommendations include one to review the findings of Aquila Aviation's March 2020 Air Services Consultancy report.</p>	Portfolio Director – Economic Development	<p>All recommendations in both referenced reports have been given due consideration and implemented where necessary, however publicly reporting on these will occur when resource is available to produce such a report. (Oct 2023)</p> <p>All recommendations in both referenced reports have been given due consideration and implemented where appropriate. This rec can be closed. (2025)</p> <p>Audit comment: To remain open for at least one more follow-up reporting cycle to encourage additional transparency regarding the extent that FCDO's recommendations were implemented and specialist findings were incorporated. (2025)</p>

No.	Recommendation	Responsible party	Management updates over time and our comments
<b>Fibre Optic Cable Network Project – January 2025</b>			
17	<p><b>1. To revive the momentum of the cable network project and further enhance St Helena's connectivity, SHG should:</b></p> <p><b>1a.</b> Publish in the FY 2025 edition of the Economic Development Portfolio's Strategy and Delivery Plan specific targets and a timeframe for (1) the new telecommunications regulatory framework, including necessary ordinances and the appointment of a regulator, and (2) a decision on any technological solution.</p>	Portfolio Director – Economic Development	<p>The Communications Ordinance 2025 was enacted on 1 July 2025 providing a new regulatory framework for telecommunications.</p> <p>The public have been informed on progress through regular press releases. Given ongoing complexities, it is not possible to publish a timeframe for a future decision on a technological solution. (2025)</p> <p>Audit comment: To remain open until the public is informed about SHG's decision on a technological solution or a timeframe for making such a decision. (2025)</p>
18	<p><b>1b.</b> Ensure that the next telecommunications licence (or extension) is issued under the new regulatory framework.</p>	Portfolio Director – Economic Development	<p>Advice from the Attorney General's chamber is that this is not possible with the current Sure licence (issued on 1 January 2024), however the 2025 Ordinance S.128 gives the government power to do so and any new licence will be issued under the new regulatory framework. (2025)</p> <p>Audit comment: To remain open until the next licence is issued. (2025)</p>

No.	Recommendation	Responsible party	Management updates over time and our comments
19	<p><b>1c.</b> Update its 2017 Digital Strategy to reflect new ambitions, opportunities and technologies.</p>	<p>Portfolio Director – Economic Development</p>	<p>Note that the SEDS updated the actions needed to address the digital divide and for improvements to the network. (2025)</p> <p>Audit comment: Progress toward implementation is noted. In addition, SHG has circulated a draft Digital Strategy for comment. Recommendation to remain open until this draft is finalised and published. (2025)</p>
20	<p><b>2.</b> To avoid the need for additional assurance, such as an ultimate holding company guarantee, SHG should adopt a policy of signing contracts only with the entity that submitted the winning bid and received all relevant internal approvals unless the Procurement Board gives its express permission to do otherwise.</p>	<p>Deputy Financial Secretary</p>	<p>SHG will give consideration to such a policy in FY 2026/27. (Jan 2026)</p> <p>Audit comment: To remain open pending further developments. (Jan 2026)</p>

No.	Recommendation	Responsible party	Management updates over time and our comments
21	<p>3. To ensure consistency and quality across strategic projects, and to leverage the skills and experience incumbent in its staff, SHG should begin each strategic project with the assumption that the Programme Management Office will lead on planning, governance and project management unless the Chief Secretary documents a written rationale why it would not be appropriate for that project.</p>	Chief Secretary	Audit comment: No update received from SHG in 2025.
22	<p>4. To ensure the streamlined execution of strategic projects, SHG should develop a comprehensive and realistic project plan with clear objectives, deliverables, timelines and key milestones. The planning stage should be a cross-governmental enterprise, with each relevant portfolio, department or section availing its expertise, whether regulatory or procedural.</p>	Chief Secretary	Audit comment: No update received from SHG in 2025.

No.	Recommendation	Responsible party	Management updates over time and our comments
23	5. To align expectations, raise public awareness and reduce resistance in the implementation phase, SHG should engage critical stakeholders such as utilities, affected companies, major landowners, relevant portfolios and the general public as early as practicable when planning island-wide strategic projects.	Chief Secretary	Audit comment: No update received from SHG in 2025.
<b>Fishing Operations Agreement – March 2025</b>			
24	1. To begin registering vessels consistently and in accordance with established standards, SHG should prioritise the issuance of regulations that would give effect to the requirements of the Ports Ordinance, including vessel registration.	Portfolio Director – Environment, Natural Resources and Planning	Although this falls under the Portfolio Director for Safety, Security and Home Affairs, I am aware as a member of the Maritime Advisory Board that a Vessel Licensing Policy is being developed by that Portfolio with Regulations pertaining to vessel safety. (2025)  Audit comment: To remain open until the policy is issued and we can review its contents. Will confirm the responsible party during the next follow-up. (2025)

No.	Recommendation	Responsible party	Management updates over time and our comments
25	<p>2. To reduce the ambiguity in the Fishing Operations Agreement, SHG should propose an addendum to the existing agreement that (1) explicitly references PQTSH's £500k obligation so that the agreed deliverables from the negotiation stage are fully specified and (2) amends the confusing language in preamble B.</p>	<p>Portfolio Director – Economic Development</p>	<p>Not yet commenced. Audit comment: Will enquire during the next follow-up. (2025)</p>
26	<p>3. To make the Fishing Operations Agreement easier to exit when appropriate, SHG should propose an addendum to the existing agreement that adds a more complete list of possible reasons for termination.</p>	<p>Portfolio Director – Economic Development</p>	<p>Not yet commenced. Audit comment: Will enquire during the next follow-up. (2025)</p>

