



**St Helena
Government**

ST HELENA PUBLIC ACCOUNTS COMMITTEE

**REPORT ON THE GOVERNMENT RESPONSE TO PAC
RECOMMENDATIONS IN SESSIONAL PAPER 03/19 AND
23/19 AS AT 4 NOVEMBER 2019**

St Helena Public Accounts Committee

**Public Accounts Committee Report on the Government
Response to PAC Recommendations in Sessional Paper 03/19
and 23/19 as at 4 November 2019**

I. Introduction

The Public Accounts Committee (PAC) is required to formally report to Legislative Council with or without recommendations in accordance with section 69(8) of the Constitution of St Helena.

Section 69(9) provides that where a report of PAC is adopted by Legislative Council, the responsible member of Executive Council is required to convey the response of Government at the next meeting of Legislative Council, not later than the first sitting day after six weeks has elapsed.

By convention the Financial Secretary undertakes the responsibility as the responsible member of Executive Council and compiles the Government response to the PAC recommendations and maintains a register for tracking their progress and disposal.

In turn the PAC:

- a) Considers the adequacy of the proposed Government response to their recommendations; and
- b) Reviews Government progress in implementing these recommendations and determines when they may be regarded as closed.

PAC periodically report their findings to Legislative Council. In this sessional report PAC report particular aspects of this process in the following sections:

Section II Taking stock of Government response to PAC reports

Section III Consideration of the adequacy of the Government response to new PAC recommendations

Section IV Review of progress in addressing PAC recommendations previously reported

II. Taking Stock of Government Response to Previous PAC Reports

PAC previously reported on their consideration of the Government response to their recommendations in Sessional Paper 47/18 laid on 26 October 2018. This report considered the Government position, on both new and existing PAC recommendations, as presented by the Financial Secretary up to and including SP 36/18 laid on 19 July 2018.

Aside from reporting this formal assessment in SP 47/18, PAC has issued three further sessional papers on substantive business as follows:

- SP 45/18 in respect of evidence on the 2016/17 accounts, in the PAC session held in May 2018 and laid on 26 October 2018
- SP 05/19 in respect of evidence on the 2016/17 accounts, in the PAC session held in August 2018 and laid on 8 March 2019
- SP 01/19 in respect of Excess Expenditure incurred in 2017/18, as considered in the PAC session held in February 2019 and laid on 8 March 2019

The Financial Secretary laid two Sessional Papers in response:

- SP 03/19 laid on 8 March 2019 providing the Government update on PAC recommendations as at 22 February 2019
- SP 23/19 laid on 26 July 2019 providing the Government response to the PAC report on Excess Expenditure in SP 01/19

The Government response in SP 03/19 and the subsequent response in SP 23/19 is the subject of this Sessional Paper.

iv. Review of Progress in Addressing PAC Recommendations Previously Reported

PAC has also considered progress in addressing previously reported recommendations as per the position statement in SP 03/19 and finds that of the 49 previous recommendations in the report, 8 may now be regarded as closed and 41 recommendations therefore remain open. Of those open recommendations 39 have tangible action in progress but 2 require reconsideration as the official response remains inadequate – details are summarised as follows.

| Entity | Year of Account | PAC Report | Disputed – inadequate response | Open – action in progress | Closed – action completed |
|--------------------|-----------------|------------|--------------------------------|---------------------------|---------------------------|
| SHG | 2011/12 | | | 2 | |
| ESH | 2012/13 | | | 3 | |
| Fisheries | 2013/14 | | | 1 | |
| National Trust | 2013/14 | | | 1 | 1 |
| SHG DGO | VFM | SP 03/16 | | 1 | |
| SHG Airport | VFM | SP 03/16 | | 4 | |
| SHG | 2012/13 | SP 02/16 | | 1 | 1 |
| ESH | 2014/15 | SP 35/16 | | 1 | |
| National Trust | 2014/15 | SP 35/16 | | 2 | |
| SHHDL | 2014/15 | SP 35/16 | | 2 | |
| Currency Fund | 2014/15 | SP 35/16 | | 1 | |
| BOSH | 2014/15 | SP 35/16 | | 1 | |
| SHG | 2014/15 | SP 43/16 | | 1 | |
| SHG Grants | VFM | SP 43/16 | | 5 | |
| NAO Airport | VFM | SP 43/16 | | 1 | 1 |
| Excess Expenditure | 2015/16 | SP 44/16 | | | 1 |
| Connect | 2015/16 | SP 30/17 | 1 | 1 | 1 |
| ESH | 2015/16 | SP 30/17 | | 3 | |
| BOSH | 2015/16 | SP 30/17 | | 3 | |
| SHFC | 2015/16 | SP 30/17 | | 1 | 1 |
| SHG | 2015/16 | SP 30/17 | 1 | | 1 |
| BFI | 2015/16 | SP 30/17 | | 2 | |
| Currency Fund | 2015/16 | SP 30/17 | | 2 | |
| SHHDL | 2015/16 | SP 30/17 | | | 1 |
| Total | | | 2 | 39 | 8 |

The register attached at the Appendix to this report now reflects the updated position on open and closed recommendations.

In examining the register PAC faced a considerable challenge in deciding (a) whether public bodies' proposed responses to new recommendations are either adequate or inadequate, and (b) then being clear if the implementation is in progress or completed.

This is important because the primary function of PAC is to objectively scrutinise how the Government and other public bodies spend public money so as to ensure that the highest possible standards of fiscal management are maintained and bodies remain accountable to the public.

In particular there was a mixed picture in public bodies' compliance with the process for handling PAC recommendations as noted below:

- There appears to be a general misunderstanding by public bodies of the process for handling PAC recommendations;
- Responses to new recommendations are reported separately to progress on previous recommendations;
- Confusion is evident where different terminology is being used in SP 03/19 to the protocol set out by the PAC in SP 47/18;
- Responses often do not address the recommendation and give insufficient reassurance that action is completed;
- Too many recommendations are being marked as implemented where on examination by PAC the expected action is clearly incomplete;

A Flowchart outlining the process for PAC reporting with recommendations, under Section 69(8) of the Constitution is appended to this report.

As recommended in SP 47/18 the Financial Secretary should respond to any new recommendations raised by PAC in a separate sessional paper consistent with section 69(9). The six-monthly progress report should therefore be presented separately to any new recommendations.

V. Recommendations

In relation to its scrutiny of the Government responses to PAC recommendations as summarised in SP 03/19, the **PAC recommends that:**

- The Government reconsiders its position to those recommendations where the proposed response is deemed inadequate as detailed in the Appendix.
- Those recommendations marked as completed in the Appendix may now be transferred to the closed register.
- The Financial Secretary communicates the due process for handling PAC recommendations to SHG departments and public bodies and uses the agreed standard terminology when reporting.
- The Financial Secretary responds to any new recommendations raised by PAC in a separate Sessional Paper consistent with section 69(9).
- In the event the Financial Secretary is not able to respond within the stipulated timeline as indicated in section 69(9), he must notify Legislative Council and furnish them with reasons for the non-compliance and then specify the new timeline for the response to be submitted.
- The Financial Secretary provides a routine six-monthly update on progress in addressing PAC recommendations as a separate Sessional Paper.

VI. Authorised for Issue

This sessional report on the PAC review of the Government response to PAC recommendations contained within Sessional Papers 03/19 and 23/19 is hereby authorised for issue to Legislative Council in accordance with section 69(8) of the Constitution of St Helena.

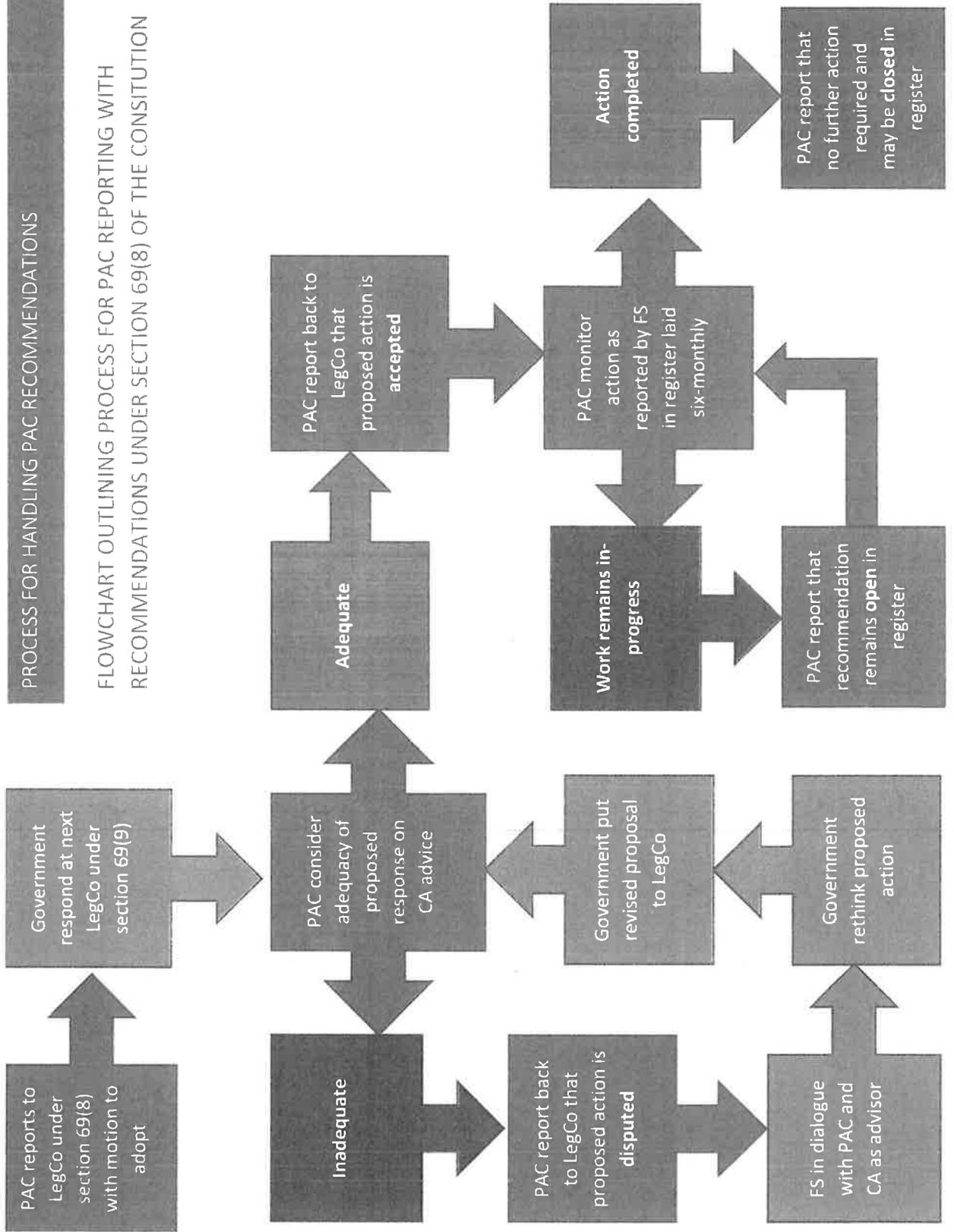
A handwritten signature in black ink, appearing to read 'Gunnell', written in a cursive style.

Cyril Gunnell
Chairman

5th February 2020

PROCESS FOR HANDLING PAC RECOMMENDATIONS

FLOWCHART OUTLINING PROCESS FOR PAC REPORTING WITH RECOMMENDATIONS UNDER SECTION 69(8) OF THE CONSTITUTION



REVIEW OF GOVERNMENT RESPONSE TO PAC RECOMMENDATIONS AND PROGRESS WITH IMPLEMENTATION IN SP 03/19 AND SP 23/19

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

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

This report assesses the adequacy of Government response to new PAC recommendations and reviews the progress on previous recommendations

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

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

| | |
|----------|---|
| Closed | Accepted and implemented transfer to closed register |
| Open | Matter not fully implemented and remains open for action in monitor |
| Disputed | Matter requires reconsideration and therefore remains open to monitor |
| New | Government response to new recommendations from PAC |
| Existing | Progress on implementing previous PAC recommendations |

REVIEW OF GOVERNMENT RESPONSE TO PAC RECOMMENDATIONS AND PROGRESS WITH IMPLEMENTATION IN SP 03/19 AND SP 23/19

| No | Date Reported to LEGCO by PAC | Body/Name of report | Recommendation | Responsibility | Response | PAC Notes | Management Recommendation in February 2019 in SP 03/19 | FAC Assessment of SP 03/19 in October 2019 |
|----|-------------------------------|---------------------------------|--|--|--|--|--|--|
| 1 | 07/10/2014 | ESH | ESH should place more emphasis on output and outcome measures both in strategic plans and in non-financial performance reporting. | Chief Executive for Economic Development | ESH as a new organisation is continually developing procedures and policies to ensure that our outcomes are measurable and in line with our rebours. We have also in the past year registered with the Institute of Economic Development (IED) in the UK and currently working towards achieving "excellence in economic development". This will be placed on the internal audit programme once the Internal Auditor is in place. See response to related recommendation number 52 and 107. Updated response February 2019 – As a part of our current DFID programme our KPI's are centred around the Output and Outcome activities and the KPI's are aligned to this. These are reported in our Annual Report. ESH regularly reviews KPI's and LogFrame Targets with our Board and Sponsors, with a view to ensuring that these remain both relevant and also focused on output and outcomes wherever practicable, however it is recognised by DFID that in certain areas of our Project Programme (such as supporting agricultural development) the physical outputs and outcomes of inputs may not be realised until after the project programme has been completed, and in such cases a short-term inputs versus outputs generated indicator is better placed than having no performance indicators at all. | Review of ESH 2017/18 results indicates slow progress in the transition to reporting performance in terms of outputs and outcomes. | Implemented | Open |
| 2 | 07/10/2014 | ESH | ESH will need to develop management information systems to capture timely and accurate information for internal management and external performance reporting to stakeholders. | Chief Executive for Economic Development | ESH has implemented systems and processes to ensure that reporting is accurate and received in a timely manner in order to report accurately to all our stakeholders. We have also implemented a new post, Quality Standards and Information Manager to ensure that this process is done. This will be placed on the internal audit programme once the Internal Auditor is in place. Update – PAC view and proposed action noted. Updated response February 2019 - ESH is continually looking at enhancing the Customer Relationship Management (CRM) system whereby information can be captured in one location. | In-progress | Accepted | Open |
| 3 | 07/10/2014 | ESH | ESH should use the commissioning relationship with provider organisations to require data returns, which measure not only inputs but also outputs and measures of impact. | Chief Executive for Economic Development | ESH is continually developing procedures and policies with the various organisations to ensure that data is returned timely and accurately in order to show the impact of the investment to that organisation. Achieving excellence in economic development will assist this process. This will be placed on the internal audit programme once the Internal Audit is in place. Update – PAC view and proposed action noted. Updated response February 2019 - As mentioned previously we continue to develop procedures and policies to ensure that the correct data is returned timely to us. This is ensured via formal approval letters (agreements) and MOU's against various organisations and projects. | Response too vague to be assured required actions are completed. | Implemented | Open |
| 29 | 29/04/2015 | St Helena Fisheries Corporation | Internal management capacity remains a concern and the appointment of a counterpart General Manager will be required if the Corporation is to continue going forward. | SHFC Management Board | Partial implementation. Updated response December 2017 – the Board has appointed a General Manager who will be supported by an Operations Manager with effect from December 2017. Updated response January 2018 – The Operations Manager has been in place as of the 7th December 2017. SHFC has made a bid for funding for a Business Manager and is awaiting confirmation on whether bid was successful. Update July 2018 - SHFC Board continues to monitor this and action will be taken when necessary to maintain management capacity at SHFC. Updated response February 2019 - An Interim General Manager is in place. The permanent position is due to be advertised this month. | No GM in place. | Accepted | Open |

REVIEW OF GOVERNMENT RESPONSE TO PAC RECOMMENDATIONS AND PROGRESS WITH IMPLEMENTATION IN SP 03/19 AND SP 23/19

| No | Date Reported to LEGCO by PAC | Body/Name of report | Recommendation | Responsibility | Response | PAC Notes | Management Recommendation in February 2019 in SP 03/19 | PAC Assessment of SP 03/19 in October 2019 |
|----|-------------------------------|--------------------------|--|----------------------------|--|---|--|--|
| 31 | 29/04/2015 | Sr Helena National Trust | The Trust plans to report audited accounts within six-months of the financial year end and requests a standing extension from the Governor until such time as section 18(1) of the Ordinance may be amended. | Trust Director & President | The Trust President and Director are currently reviewing the Ordinance with a view to suggesting amendment to section 18(1) along with a number of other amendments. Amendment bill drafted and provided to Social & Community Development Committee for consideration. Trust President and Director are continuing to pursue this through the channels as directed by the Attorney General and Elected Members with a view to the amendment being taken to formal Legco soon. Updated response July 2018 – The Social and Community Development Committee has considered and endorsed the recommendations for legislative changes and these are now ready for presentation to Executive Council to stand as Government Business at Legislative Council. Updated response February 2019 - Executive Council considered and approved changes to the Trust Ordinance (12th Feb 2019). A public information session will be held in the Jamestown Community Centre on Wednesday the 20th of February. The bill will then be tabled for approval by the next meeting of Legislative Council before being implemented upon publication. | Section 18(1) of the Trust Ordinance was amended by Ordinance No.3 2019 | Accepted | Closed |
| 33 | 29/04/2015 | Sr Helena National Trust | The Trust reviews requirements for reporting on individual donor funded projects, to ensure that specific conditions are met in respect of any project completion audits, required by donors, in addition to the Trust financial statements. | Trust Director | In progress. The requirements for reporting on individual donor funded projects are reviewed to identify specific conditions that may not be met by the annual financial statement audit. Updated response July 2018 – no further update. Updated response February 2019 - Complete. The Trust has a good handle on reporting to individual donor funded projects as demonstrated by a score of A+ from Darwin Plus on our most recently closed project. The Trust will continue to maintain a close view of all project funder requirements and endeavour to meet or exceed stipulated requirements of these funds. | In-progress | Accepted | Open |
| 37 | 29/04/2015 | Sr Helena Government | The Chief Secretary provides a written statement of progress against recommendations and the Chief Auditor performs a substantive follow-up review on the progress made, in six-nine months and reports his findings to PAC in due course. | Chief Secretary | Chief Secretary to provide a written statement. Updated response December 2017 - Superseded by SHAS Follow Up on previously issued Value for Money/Performance Audit Recommendations, November 2016 SP 12/16. Updated response January 2018 – No further update. Updated response February 2019 – Management is currently in the process of finalising a three year strategy which will sit under the 10 year plan and will set out SHG's planned implementation of the 10 year plan, the Sustainable Economic Development Plan and the Capital Programme. This strategy is underpinned by the Strategic Priorities identified by Elected Members and will guide Directorate Strategic Planning and Budgeting. As a part of this work, SHG's Performance Management Framework is being revamped including reviewing the KPIs to ensure that they better reflect the outcomes determined in the three year strategy, the PM Framework will also include the tracking of all PAC recommendations and these will be reported against on a regular basis with effect from April 2019. The MTEF process is maintained although it is recognised that there has been some deviation over the last few years due to having a rollover budget which has impacted on the start of the planning and budget process. SHG does produce a 3 year financial budget however it is recognised that the two outer years are not fully developed. As stated earlier management is currently in the process of finalising a three year strategy which is underpinned by the Strategic Priorities identified by Elected Members and will guide Directorate Strategic Planning and Budgeting. It is anticipated that for the period beginning April 2021 SHG will have a three year financial budget in place underpinned by three year Directorate plans which are consistent with SHG's Strategy. | In-progress | Accepted | Open |

REVIEW OF GOVERNMENT RESPONSE TO PAC RECOMMENDATIONS AND PROGRESS WITH IMPLEMENTATION IN SP 03/19 AND SP 23/19

| No | Date Reported to LEGCO by PAC | Body/Name of report | Recommendation | Responsibility | Response | PAC Notes | Management Recommendation in February 2019 in SP 03/19 | PAC Assessment of SP 03/19 in October 2019 |
|----|-------------------------------|------------------------------|---|---------------------|---|-------------|--|--|
| 38 | 11/11/2015 | St Helena Government | Consistent with the report recommendations Earned Value (EV) calculations on the airport project are commissioned by SHG for the years ended 31 March 2015 and 31 March 2016 so as to ensure that the valuation is available for the SHG annual financial statements. | Financial Secretary | <p>The Airport and non-exchange element of the Wharf are reported in the SHG financial statements at Replacement Cost in line with IFRS requirements. Management judgements and estimates were used to estimate Replacement Cost and this uncertainty led to an audit qualification and the recommendation to have a qualified independent valuer come out and value the infrastructure when it is operationally ready.</p> <p>A TOR was issued and it was hoped that the qualification will be cleared for the 2016/17 annual financial statement audit.</p> <p>Updated response July 2016 – Funding has been allocated for this valuation as part of the 2016/17 draft Government budget. A procurement exercise will be undertaken as soon as the budget is approved. The specification for the works including the tender pack has been drafted and is pending final budget approval.</p> <p>Updated response July 2018 – Funding has been allocated for this valuation as part of the 2018/19 draft Government budget. A procurement exercise will be undertaken as soon as the budget is approved. The specification for the works including the tender pack has been drafted and is pending final budget approval.</p> <p>Updated response February 2019 - Following discussions with a Crown Commercial Services UK Government Framework supplier the requirements of SHG were discussed and the supplier is in the process of developing a proposal which should be presented week commencing the 25th February 2019.</p> | In-progress | Open | Open |
| 39 | 11/11/2015 | St Helena Government Airport | SHG must ensure that a risk management strategy is developed for the Airport Project Phase 2 and it must conform to risk management standards and best practice. The red risks (major risks) on the Airport Project should be tracked and mitigated to ensure that it do not affect the achievement of goals/objectives of the project. | Financial Secretary | <p>SP 10/17:</p> <p>This is in progress.</p> <p>Aspects of Phase 1 of the Airport Project (construction phase) are continuing alongside Phase 2 works (Airport Operations). St Helena Airport is not currently dealing with the volume of traffic anticipated due to the delay in commencement of scheduled air services to St Helena.</p> <p>In this interim period, the same risk management methodology is being applied to both Phase 1 and Phase 2. At operational level, separate reports are generated for the Construction and Operations aspects of the Airport Project but the escalation feeds into the same reporting structure (i.e. the same overarching Risks and Issues Registers).</p> <p>This is because both areas are under the same management responsibility at present (i.e. within the Airport Directorate and under the oversight of the Airport Project Board).</p> <p>As Phase 2 becomes more established, the two will be delineated and a separate risk management strategy will be devised for Phase 2. A review will be scheduled in late 2017.</p> <p>Updated Response December 2017 - Aspects of Phase 1 of the Airport Project (construction phase) are continuing alongside Phase 2 works.</p> <p>The same risk management approach is being applied to both but risks that are purely operational (Phase 2) are identified for the eventual delinking of the two.</p> <p>Target deadline is end June 2018 (to tie in with the projected conclusion of Phase 1)</p> <p>Updated response March 2018 – No further update.</p> <p>Updated response February 2019 - On 15 June 2018 Basil Read the contractor for the Airport Project announced it was going into Business Rescue. On the 2nd October 2018 St Helena Government terminated the contract with Basil Read and St Helena Airport Limited (SHAL) was created to ensure the smooth transition of Airport Operations. The construction elements were absorbed by the Airport Directorate. This response was the result of risk management and contingency planning.</p> <p>SHAL has a Board of Directors and have continued to meet the demands of the Airport Operations. The transition was seamless and accepted by all the regulators including ASSI. A further Airline Audit was successfully completed in January 2019.</p> <p>Under the St Helena Airport Construction governance arrangements are in progress with the first Project Board meeting being scheduled for March 2019. The constructed systems are currently under review to</p> | In-progress | Accepted | Open |

REVIEW OF GOVERNMENT RESPONSE TO PAC RECOMMENDATIONS
AND PROGRESS WITH IMPLEMENTATION IN SP 03/19 AND SP 23/19

| No | Date Reported to LEGCO by PAC | Body/Name of report | Recommendation | Responsibility | Response | PAC Notes | Management Recommendation in February 2019 in SP 03/19 | PAC Assessment of SP 03/19 in October 2019 |
|----|-------------------------------|----------------------|---|--|---|--|--|--|
| 40 | 11/11/2015 | St Helena Government | Airport Management must implement the 8 recommendations contained in the audit report on the Airport project. The recommendations that have been provided by audit should be used by management to develop control mechanisms for Phase 2 so as to transfer the learning from Airport Project Phase 1. | Financial Secretary | SP 10/17: See response to recommendation 39 above. We are currently recruiting for an Airport Contracts Manager who will support this work. Updated response December 2017 - See response to recommendation 39. Airport Contracts Manager now in post. Updated response January 2018 - No further update. Updated response February 2019 - Please see response to 39 above. These recommendations are incorporated into the governance of SHAL and SHAP (St Helena Airport) Construction. | Response too vague to be assured required actions are completed. | Implemented | Open |
| 41 | 11/11/2015 | St Helena Government | Management must develop an integrated assurance and approval plan for Phase 2 of the Airport Project Operations. Management must also determine areas where they require assurance so that its internal and external assurance providers can assist in that regard. SHG set out a technical proposition with resource assessment and timeline for the preparation of the financial statements of Government on a consolidated basis in accordance with IPSAS 6. | Financial Secretary | See response to recommendation 39 and 40 above. | In-progress | Accepted | Open |
| 47 | 04/02/2016 | St Helena Government | SHG maintain active interest in the FCO sponsored governance review and take all necessary steps to apply the model framework proposed for the Overseas Territories to strengthen financial governance, audit and parliamentary scrutiny in St Helena. | Financial Secretary | The Executive Council has accepted the advice of the Financial Secretary that he will make a determination under s10(2) of the PFO. Any commitment for additional resources must add value. On the basis that there is already mitigating disclosures on the results of SCE into the SHG entity financial statements (recognising it is not full consolidation) and the limited value that full consolidation will add at this time, it is deemed that compliance with IPSAS 6 is not appropriate at this time to the circumstances of St Helena and it is the recommendation of the Corporate Finance that additional resources are not committed to prepare consolidated financial statements in accordance with IPSAS and that the Financial Secretary will make a determination under the Public Finance Ordinance 2010, s10(2) to divert from IPSAS 6. This will be revisited in the future. | IPSAS 39 requirements disappplied under section 10(2) of PFO | Implemented | Closed |
| 51 | 04/02/2016 | St Helena Government | SHG maintain active interest in the FCO sponsored governance review and take all necessary steps to apply the model framework proposed for the Overseas Territories to strengthen financial governance, audit and parliamentary scrutiny in St Helena. | Chief Secretary | Updated response February 2019 - The Executive Council has accepted the advice of the Financial Secretary that he will make a determination under s10(2) of the PFO. Can confirm this to be the case. Updated response February 2019 - This continues to be a priority for SHG. | In-progress | Accepted | Open |
| 53 | 18/07/2016 (SP 35/16) | Enterprise St Helena | ESH must start to objectively report on its contribution to the economic growth using indicators with the hope of measuring the impact on the Gross Domestic Product (GDP) in future years. | Chief Executive for Economic Development | Constraints relating to availability of a robust methodology and necessary data have prevented SHG from providing accurate calculations of GDP. As a result ESH has been using 'Annual Private Sector Expenditure' (as quantified in National Accounts methodology) as a proxy measure for GDP. Going forward it will be easier to determine relevant and meaningful indicators as SHG is now addressing this issue. Updated response March 2018 - No further update. Update - Part of our log frame targets on Phase 2 with DFID and SHG is to increase the sustainable economic development of St Helena. Our first indicator is to state the total annual SHG revenue collected from private sector sources (£) which is obtained from the SHG Corporate Finance Budget book. Our second indicator is to establish the average (median) employee income from employment (£) which is also taken from St Helena National Statistical Yearbook. Updated response February 2019 - As previously mentioned in our updates to the same which is part of our log frame targets on Phase 2 with DFID and SHG is to increase the sustainable economic development of St Helena. Our first indicator is to state the total annual SHG revenue collected from private sector sources (£) which is obtained from the SHG Corporate Finance Budget Book. Our second indicator is establish the average (median) employee income from employment (£) which is also taken from St Helena National Statistical Yearbook. When figures are available, these are captured and reported on in our Log frame and Annual Report. As a part of the 2018 business survey, undertaken by SHG and supported by ESH, questions to assist in the generation of a measurable GDP for the island have been included. Until such time as we have an up to date baseline for GDP it is difficult to measure ESH's impact to GDP (if we don't know | In-progress | Accepted | Open |

REVIEW OF GOVERNMENT RESPONSE TO PAC RECOMMENDATIONS AND PROGRESS WITH IMPLEMENTATION IN SP 03/19 AND SP 23/19

| No | Date Reported to LEGCO by PAC | Body/Name of report | Recommendation | Responsibility | Response | PAC Notes | Management Recommendation in February 2019 in SP 03/19 | PAC Assessment of SP 03/19 in October 2019 |
|----|-------------------------------|---------------------------------|--|---------------------|---|-------------|--|--|
| 60 | 18/07/2016 (SP 35/16) | St Helena National Trust | SHG should work with SHNT to prepare a condition survey to augment the register of the Island's built heritage (using the Crallen and Jeffs reports) and develop a strategy for the prioritisation of future management and maintenance given the significant long-term economic potential particularly in terms of tourism. | SHG/SHNT | Heritage Working Group established by Chief Sec. Updated response July 2018 – No further update. Updated response February 2019 - The Trust was involved in the Environment and Natural Resources Heritage Sub-Committee and produced a report and recommendations that were received by the Environment and Natural Resources Committee on the 21st February 2019. | In-progress | Accepted | Open |
| 61 | 18/07/2016 (SP 35/16) | St Helena National Trust | SHG needs to make a decision how the heritage assets are managed, decide which properties should be transferred or leased to SHNT. | SHG/SHNT | Discussions with Crown Estates ongoing. Updated response July 2018 – No further update. Updated response February 2019 - SHG has agreed a 99 year lease to the Trust of High Knoll Fort and the terms of this lease are currently being negotiated. Following the execution of this lease, the Trust has been assured that further key properties will follow. | In-progress | Accepted | Open |
| 63 | 18/07/2016 (SP 35/16) | St Helena Hotel Development Ltd | SHG should document how it intends to manage the capital risk associated with the public investment in the hotel venture through SHHDL. | Directors | SHG will document this in due course. Updated response December 2017 - This is in progress, to be finalised before the end of the current Financial Year. Updated response July 2018 – The Financial Secretary has been tasked by EXCO to put forward an options paper to address the funding needs of the hotel. Updated response February 2019 - A paper outlining the options for raising funds including the capital risk to SHG were presented to EXCO in August 2018. It was agreed that SHHD should explore options to raise additional finance to reduce the capital risk to SHG and to improve the gearing of the company. BOO has been contracted to review the current and future prospects for the hotel including providing an independent view on raising funds to reduce SHG's capital risk which will ultimately form part of the exit strategy. This will be developed in due course | In-progress | Accepted | Open |
| 64 | 18/07/2016 (SP 35/16) | St Helena Hotel Development Ltd | SHG develop a time bound exit strategy for disposal of the public investment in SHHDL. | Directors | Updated response January 2018 – A working group will be established to develop a strategy for the equity holdings of SHG which will determine the criteria for assessing the optimal timing of their disposal. Updated response March 2018 – The Financial Secretary has been asked by EXCO to put forward an options paper to address the funding needs of the hotel to be completed by May 2018 and this will encompass a proposal to kick start the exit strategy. Updated response July 2018 – The Financial Secretary has been tasked by EXCO to put forward an options paper to address the funding needs of the hotel and this will encompass a proposal to kick start the exit strategy. | In-progress | Accepted | Open |
| 73 | 18/07/2016 (SP 35/16) | Currency Fund | Commissioners assess the different options regarding the issuing of commemorative coins, and specifically whether these should be deemed as legal tender. | Financial Secretary | This will be considered by the Commissioners of Currency. Updated response December 2017 – To be considered by the Commissioners of Currency in due course. Updated response July 2018 – No further update. Updated response February 2019 – Considerations are ongoing and due consideration is given at the time of each coin approval. | In-progress | Accepted | Open |
| 77 | 18/07/2016 (SP 35/16) | Bank of Saint Helena Ltd | SHG determine its future strategy with respect to the SHG shareholding in the Bank and explore options for disposal or dilution of shareholding through an independent public offering. | Financial Secretary | This will be considered by SHG in due course. Updated response March 2018 - no further update. Updated response February 2019 – This will be considered with the arrival of the Finance Business Manager who will lead along with the FS in recommending a future exit strategy from those SCE's where it is deemed appropriate to do so. | In-progress | Accepted | Open |

REVIEW OF GOVERNMENT RESPONSE TO PAC RECOMMENDATIONS
AND PROGRESS WITH IMPLEMENTATION IN SP 03/19 AND SP 23/19

| No | Data Reported to LEGCO by PAC | Body/Name of report | Recommendation | Responsibility | Response | PAC Notes | Management Recommendation in February 2019 in SP 03/19 | PAC Assessment of SP 03/19 in October 2019 |
|----|-------------------------------|--|--|---------------------|---|-------------|--|--|
| 80 | 09/12/2016 (SP 44/16) | SHG - Expenditure in Excess | The Financial Secretary issues regular communiqués to all accounting officers to remind them of their responsibilities with regards to budgetary control, expenditure spending and monitoring. | Financial Secretary | This will be done periodically over the coming financial year. Updated response March 2018 - This is an ongoing process. There are regular communications with departments to ensure that the necessary action is taken to prevent unauthorised expenditure in excess of that appropriated; these include requests for forecast revenue and expenditure to the year end and routine monitoring such as explanations for variations from budget. On this basis it is proposed that the matter is now closed. Updated response February 2019 - Regular communications continue to be issued. | Completed | Accepted | Closed |
| 81 | 09/12/2016 (SP 44/16) | SHG 2013/14 and 2014/15 AFS and ML | SHG maintain a register of all audit recommendations, action plans and timelines to ensure that all qualifications are resolved by 31 March 2018. | Financial Secretary | SHG monitors all agreed recommendations and realistic timelines are set for each. Updated response March 2018 - SHG remains committed to addressing the qualification issues and reducing them year on year. Updated response February 2019 SHG remains committed to addressing the qualification issues and reducing them year on year and it is anticipated that the majority of recommendations will be cleared in the Management Letter on the Financial Statements for 2017/18. | In-progress | Accepted | Open |
| 85 | 09/12/2016 (SP 44/16) | SHG - Managing Grants and Subsidies Value for Money report | SHG ensure that a Grants & Subsidies policy is developed and implemented as recommended by the Chief Auditor as a matter of priority to provide a proper framework for decision making and management in these awards. | Financial Secretary | A Grants & Subsidies Policy has been drafted and will be finalised by the end of March 2018. Updated response March 2018 - A draft policy was created in November 2016. It is now the intention to follow the policy making process and so the draft will be completely reviewed by Corporate Services during the 1st quarter of 2018 with a view of being taken to Executive Council in due course. Updated response February 2019 - The draft policy has been considered by the Economic Development Committee and will be presented to Executive Council in due course. | In-progress | Accepted | Open |
| 86 | 09/12/2016 (SP 44/16) | SHG - Managing Grants and Subsidies Value for Money report | SHG ensure that all grant and subsidy receiving entities/organisations sign Service Level Agreements (SLA) with SMART targets and deliverables. (SMART - Specific, Measurable, Attainable, Realistic and Time bound). | Financial Secretary | SLAs are being prepared for these organisations which will have effect from 1 April 2017. Updated response March 2018 - All organisations in receipt of a grant or subsidy will be required to sign up to an SLA. Updated response February 2019 SLA's will be entered into for all subsidised organisations for 2019/20. | In-progress | Accepted | Open |
| 87 | 09/12/2016 (SP 44/16) | SHG - Managing Grants and Subsidies Value for Money report | SHG ensure that there is alignment of the Strategic Objectives to targets/key performance indicators in the SLA of grants/subsidy receiving organisations/entities and their business plans. | Financial Secretary | This will be incorporated into the SLAs being prepared. Updated response March 2018 - The organisations in receipt of a grant or subsidy are required to sign up to an SLA which is linked to achieving the targets set out in the 10 year plan. Updated response February 2019 - SLA's will be entered into for all subsidised organisations for 2019/20. | In-progress | Accepted | Open |
| 88 | 09/12/2016 (SP 44/16) | SHG - Managing Grants and Subsidies Value for Money report | SHG ensures that performance reports are independently and objectively validated before they are published for stakeholders. | Financial Secretary | A review is currently being undertaken by the Internal Audit Office to provide assurance over the process currently in place. IAO has produced a governance audit report with moderate assurance. Updated response March 2018: No further update. Updated response February 2019 - Performance reports are being scrutinised before issuing. | In-progress | Accepted | Open |
| 89 | 09/12/2016 (SP 44/16) | SHG - Managing Grants and Subsidies Value for Money report | SHG provide updated implementation timelines for recommendations in the Managing Grants and Subsidies report. | Financial Secretary | A response will be provided for the 24/03/2017 formal Legislative Council meeting. Updated response March 2018: A verbal update on the implementation of recommendations was provided to Legislative Council at the formal session on 19 December 2017. The recommendations will be progressed in 2018. Updated response February 2019 - Recommendations are being implemented (check current status). | In-progress | Accepted | Open |

REVIEW OF GOVERNMENT RESPONSE TO PAC RECOMMENDATIONS AND PROGRESS WITH IMPLEMENTATION IN SP 03/19 AND SP 23/19

| No | Date Reported to LEGCO by PAC | Body/Name of report | Recommendation | Responsibility | Response | PAC Notes | Management Recommendation in February 2019 in SP 03/19 | PAC Assessment of SP 03/19 in October 2019 |
|-----|-------------------------------|--|---|-----------------|--|---|--|---|
| 90 | 03/12/2016 (SP 44/16) | SHG - NAO – Realising the Benefits of the St Helena Airport Project report | SHG provides responses to questions that were asked during the formal session that officials could not furnish the public with appropriate responses. | Chief Secretary | The questions posed ask officials for an opinion on the project design and delivery. The matters identified will be considered by the project review to be conducted by DFID. It would be inappropriate to speculate on the outcome of that review. Updated response February 2019 - Action complete. | Questions remain unanswered until DFID review is completed and published. | Implemented | Open |
| 91 | 03/12/2016 (SP 44/16) | SHG - NAO – Realising the Benefits of the St Helena Airport Project report | SHG updates its Strategic Risk Register with risks that have been raised in the NAO Airport report so that they can be monitored. | Chief Secretary | SHG's Corporate risk Register contains such risks which are managed through the risk management process. Updated response February 2019 - Action complete. | Completed | Implemented | Closed |
| 96 | 01/05/2017 (SP 30/17) | Connect St Helena Ltd 2015/16 Audited Annual Financial Statements | Connect implements measures to accurately quantify, as well as minimise, the water losses in the distribution networks. Presently unaccounted water losses are estimated to vary between 10% and 50%. | CEO, CSH | The program has commenced with Ladder Hill losses measured at below 10%. Balstone is the second area where metering is in place and initial readings have been taken and once the second readings are taken the loss in this area can be quantified. The third area is also in Levelwood below the Kingdom Hall. The program is implemented with a rolling program of bringing additional areas online. Updated response February 2019 - The unaccounted water program is now an established business process. Following rectification works losses at Ladder Hill are 6%, Barmen Ground was evaluated and with losses at 6.1% with no remedial works required both are now within acceptable limits. The lower Deadwood area had losses of approximately 70% due to regrading of land by Basil Read disrupting the pipe and burying it so deep that leakage identification was impossible. This whole main has been replaced and buried to the usual depth with losses acceptable at 4%. The main areas under investigation at present are the higher areas of Deadwood and Levelwood that is being further zoned to improve analysis. The PAC recommendation which Connect was happy to accept required the implementation of an unaccounted for water program and we are of the opinion that the action is complete. Unaccounted for water monitoring and rectification is an ongoing program that will never be complete. The program was initially hindered by the lack of bulk meters on the tanks and strategic mains which should have been installed at the same time as the tanks and mains but with many meters now installed and more in stock this important data is essential to the management of our water resources. | Implied that not all bulk water meters installed | Implemented | Open |
| 99 | 01/05/2017 (SP 30/17) | Connect St Helena Ltd 2015/16 Audited Annual Financial Statements | Connect records and maintains flow data information if necessary using maps developed initially for the 1990 to 2010 Water Plan and that these Water Plans be updated 5-yearly and published. | CEO, CSH | Updated response February 2019 - As previously reported, comprehensive information on flows and reservoir levels is recorded daily and used as a basis for decision making by the Water Team. This is again another activity that is embedded in the business now and we are of the opinion that this action is now complete. | Completed | Implemented | Closed |
| 100 | 01/05/2017 (SP 30/17) | Connect St Helena Ltd 2015/16 Audited Annual Financial Statements | Recognising the redirection of funds to prioritise the alleviation of the drought and ensure water security, SHG must clarify their strategic intent, as no formal change has been made to the strategic objectives set out in the Strategic Development Plan regarding access to treated and tested water. | Chief Secretary | Note that the 10 Year Plan for Saint Helena states "We will have a long term water strategy for the Island, supported by adequate infrastructure, in order to reduce the impact of drought and climate change". | This was closed in SP 03/19 without PAC authorisation | Implemented | Disputed Does not address the recommendation |

REVIEW OF GOVERNMENT RESPONSE TO PAC RECOMMENDATIONS
AND PROGRESS WITH IMPLEMENTATION IN SP 03/19 AND SP 23/19

| No | Date Reported to LEGCO by PAC | Body/Name of report | Recommendation | Responsibility | Response | PAC Notes | Management Recommendation in February 2019 in SP 03/19 | PAC Assessment of SP 03/19 in October 2019 |
|-----|-------------------------------|--|--|--|--|--|--|--|
| 104 | 01/05/2017 (SP 30/17) | Enterprise St Helena Ltd 2015/16 Audited Annual Financial Statements | ESH determines its future intentions with regards to its ownership in Bertrand's cottage as a training facility and standalone business. A medium term exit strategy should be developed within the next twelve months. | Chief Executive for Economic Development | Update - Bertrand's Cottage will still be used as a training facility for at least the next 15 months to June 2019 due to the funding received from DFID under our Phase 2 project. Bertrand's Cottage will remain to be divested thereafter. Updated response February 2019 - as mentioned previously ESH is still utilising the Cottage as a Training Facility to June 2019. The Cottage is however being included in the current investment strategy of the Island and will be included in the prospectus that the Investment Enabling Group is currently drafting and will be published from April 2019. However ESH continues to work on the exit strategy. Update - The risk register is updated on a monthly basis and will be submitted to the PAC after year end. Updated response February 2019 - ESH supplied the Risk Register for the financial year 2016/2017 as well as 2017/2018 to the PAC on 30 April 2018 and will continue to supply the risk register to the PAC after our financial year end (anticipated date end of April 2019). | In-progress | Accepted | Open |
| 105 | 01/05/2017 (SP 30/17) | Enterprise St Helena Ltd 2015/16 Audited Annual Financial Statements | ESH record all identified risks in their strategic and operational risk registers and develops practical mitigation plans. ESH submits its Strategic Risk Register to enable PAC to reconcile the challenges noted in the Annual Report. | Chief Executive for Economic Development | Update - All KPI's will be reported on in the Annual Report as well as progress against them. Updated response February 2019 - See response to recommendation 1. | Completed | Implemented | Open |
| 107 | 01/05/2017 (SP 30/17) | Enterprise St Helena Ltd 2015/16 Audited Annual Financial Statements | ESH during its strategic planning phase sets KPIs that are based on outputs and/or outcomes rather than the inputs or activities. Progress against these output/ outcome based KPIs are then expected to be reported in the Annual Report. | Chief Executive for Economic Development | The ESH Annual Report 2016/17 reports on KPIs. | Review of ESH 2017/18 results indicates slow progress in the transition to reporting performance in terms of outputs and | Implemented | Open |
| 111 | 01/05/2017 (SP 30/17) | Bank of St Helena Ltd 2015/16 Audited Annual Financial Statements | BOSH, ESH and SHG consider partnerships that will see the ESH advisors and SHG representatives' abroad (South Africa, Falklands, United Kingdom) assist bank clients that may be experiencing complications with their bank cards/ bank queries. | Manager, BOSH | BOSH endeavours to work in partnership with ESH and SHG and their representatives and advisor where necessary. If bank card/bank queries are received from customers the bank readily assist with, often with positive results at this time. Updated response February 2019 - The Bank continues to work in partnership with ESH, SHG and their respective advisors where necessary. | Bank cards still not issued for international use so recommendation must remain open. | Implemented | Open |
| 112 | 01/05/2017 (SP 30/17) | Bank of St Helena Ltd 2015/16 Audited Annual Financial Statements | BOSH set a structured training programme for its staff members and also includes overseas training as appropriate. | Manager, BOSH | BOSH has this matter in hand, staff training programmes are currently being put into place which will include overseas training/exposure as appropriate and the necessary budget arrangements are being considered. It is expected that the MD will depart the island during this year for training and exposure along with other Senior Officers and staff over the coming years. A written response will be provided. Updated response February 2019 - As previously reported, this is in place and is ongoing. To be implemented for the 2018/19 financial year. Update July 2018: No further update at this stage. Updated response February 2019 - The Financial Secretary in his role as Shareholder Representative on the Board of Directors for the Bank of Saint Helena, agreed key performance indicators for 2018/19. Dividend policy is under consideration and will likely come into effect from 2019/20 financial year. | Response too vague to be assured required actions are completed. | Implemented | Open |
| 113 | 01/05/2017 (SP 30/17) | Bank of St Helena Ltd 2015/16 Audited Annual Financial Statements | SHG as shareholder set financial performance expectations in terms of profitability, growth and dividend policy. | Financial Secretary | | In-progress | Accepted | Open |

REVIEW OF GOVERNMENT RESPONSE TO PAC RECOMMENDATIONS AND PROGRESS WITH IMPLEMENTATION IN SP 03/19 AND SP 23/19

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|-----|-------------------------------|---|--|-----------------------|---|---|--|---|
| 115 | 01/05/2017 (SP 30/17) | St Helena Fisheries Corporation 2015/16 Audited Annual Financial Statements | PAC notes with concern, the high electricity bills that SHFC is paying and encourages SHFC to further improve energy efficiency and negotiate with Conned a bulk user electricity tariff. | General Manager, SHFC | SHFC has undertaken an energy monitoring scheme to determine factory energy usage based on electricity circuits (freezer/chillers, lights, sockets, ice plant). SHFC GM produced an operational review in August 2017 which was presented to SHG outlining findings. SHFC operational management has in place energy saving initiatives which include switching of lights and appliances when not in use however, the ultimate major source of energy consumption is as a result of the factory's cold-rooms (which is not controllable by operational daily use initiatives), nevertheless during the week long shutdown in November 2017 all chiller and freezer door seals have been replaced in addition the old leaking pipe work that support the refrigeration system has been replaced to ensure efficiency. It has been determined that cold-rooms are indeed too large for the throughput of fish current received and must be made smaller. The GM of SHFC has prepared a proposal (and investigating technical advice) for consideration by ESH to procure paravelling to reduce the physical size of one of the SHFC cold-rooms by 50% which is anticipated to reduce energy consumption by 30% which will be reviewed by the SHFC improvement plan working group before submission. Updated response February 2019 - The corporation has implemented a freezer reduction project which is in its final stages of completion, the expected completion time is mid-March 2019. It is estimated that this change could reduce the electricity consumption by at least 30%, further reductions which will be implemented is converting all internal lighting to energy-saving LED lights as well as the reductions in stored ice for offshore vessels. The proposed conversion from R22 Freon gas to an alternative refrigerant will also reduce consumption. | Efficiency measures completed although no bulk user tariff secured. | Implemented | Closed |
| 116 | 01/05/2017 (SP 30/17) | St Helena Fisheries Corporation 2015/16 Audited Annual Financial Statements | PAC notes with concern, the high freight charges for moving fish for export and encourages SHFC and AWSL to consider negotiating an export rate to encourage sustainable business. | General Manager, SHFC | No formal attempt was made by SHFC to AWSL to consider the negotiating the export rate for containers. Informal enquiries would suggest that this is not an option. This recommendation will be presented to the SHFC improvement plan working group and formally explored as an option by February 2018. Updated response February 2019 - The cost of both sea and air freight are constantly monitored, the airfreight costs are still high but will reduce as volumes increase, the volume of sea freight is expected to decrease as more focus is placed on sales to the local market and Airfreighting of Premium Tuna. There are discussions planned with Airlink to negotiate lower rates. A reduced rate has already been agreed with AWSML for sea freight between St Helena and Cape Town. AWSML do not have any control over transhipment rates. | In-progress | Accepted | Open |
| 119 | 01/05/2017 (SP 30/17) | St Helena Government 2015/16 Audited Annual Financial Statements | PAC notes with concern the two overdrawn Special Funds amounting to £350,000. Financial Secretary should arrange for these balances to be approved for write off in accordance with Financial Regulations. Further the Financial Secretary takes specific steps to avoid project expenses being incurred prior to the operative date of donor funding agreements. | Financial Secretary | The overdrawn balance on the DFID Technical Cooperation Special Fund of £230K has now been cleared through the utilisation of other unspent DFID project funding claimed in advance. Approval from DFID has been received. The overdrawn balance on the Unallocated Stores Trading account will be write off in this financial year 2018/19. Updated response February 2019 - Arrangements are being made to write off the balance on the Unallocated Stores Trading Account in this financial year 2018/19. | Overdrawn Special Fund trading accounts written-off and closed. | Accepted | Closed |
| 120 | 01/05/2017 (SP 30/17) | St Helena Government 2015/16 Audited Annual Financial Statements | SHG submits a written rationale for the write-off of the Fairhurst Water Design Consultancy in the amount of £665,000 (PAC recommendation 71 from SP 35/16 refers) [SHG explain whether value for money was obtained for the aid-funded water design project that was subsequently written-off by Conned]. The Financial Secretary to confirm the accounting treatment adopted for the write-down of the Conned Shareholding in this amount conforms to Financial Regulations and required authorisations. | Financial Secretary | Confirmed. Updated response February 2019 - This recommendation is considered to be complete. | Does not address the recommendation | Implemented | Disputed Does not address the recommendation |

REVIEW OF GOVERNMENT RESPONSE TO PAC RECOMMENDATIONS AND PROGRESS WITH IMPLEMENTATION IN SP 03/19 AND SP 23/19

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|-----|-------------------------------|--|--|----------------------------|--|--|--|--|
| 122 | 01/05/2017 (SP 30/17) | Bulk Fuel Installation 2015/16 Audited Annual Financial Statements | SHG quantifies the decommissioning costs of the old BFI and clarifies from where these costs are to be funded. | Financial Secretary | Discussions are ongoing to conclude this issue. Update March 2018: No further update. Updated response February 2019 - Decommissioning options have been considered and an outline scope of works has been costed. Discussions continue and will be concluded before the estimated decommissioning date in January 2020. The Financial Secretary gave an explanation to the PAC when discussing the 2016/17 financial statements where it was made clear that no provision was made in the DEOH contract for the decommissioning of the existing BFI, however discussions are ongoing with DFID about the options to finance the to be agreed solution. | In-progress | Accepted | Open |
| 123 | 01/05/2017 (SP 30/17) | Bulk Fuel Installation 2015/16 Audited Annual Financial Statements | SHG provides a written statement on the additional costs incurred through the emergency fuel shipment charter and explains how this additional cost will be funded. | Financial Secretary | Options for the recovery of the increased cost per litre of fuel from the emergency fuel shipment included consideration of the wider social and economic implications. The costs will be recovered through sales over several future shipments of fuel by adjusting the contribution to BFI and the retailer's margin. Updated response February 2019 - Costs are being recovered as per previous response. | No written statement of additional costs provided. | Implemented | Open |
| 125 | 01/05/2017 (SP 30/17) | Currency 2015/16 Audited Annual Financial Statements | SHG continuously manages its ex-officio roles and responsibilities of Currency Commissioners so as to recognise the inherent conflict of interest in these appointments and ensure fair play between the stewardship of the Currency Fund and the operations of the SHG treasury functions. | Financial Secretary | Agreed. This will be done. Updated response February 2019 - Fair play is at the forefront of all decisions. | Response too vague to be assured required actions are completed. | Implemented | Open |
| 126 | 01/05/2017 (SP 30/17) | Currency 2015/16 Audited Annual Financial Statements | PAC formally notes a review on the St Helena Pound versus Sterling is being performed and anticipates proper consideration of that report after all due processes have been followed. (PAC recommendation 72 from SP 35/16 refers SHG perform the required research and publish a report to assess the merits and demerits to maintaining the St Helena Pound and the Currency Fund) | Financial Secretary | A review was commissioned and a presentation has been made to the Economic Development Committee on the initial findings. It was agreed that the follow up action as recommended in the initial report should be followed through and this is ongoing. No report can be published at this stage as all the work has not yet been completed. Update July 2018 The report by the Government Economist on the St Helena Pound has been considered. Updated response February 2019 The report has been considered and no further action is proposed at this point in time. | The report has not been published contrary to recommendation 72. | Implemented | Open |
| 128 | 01/05/2017 (SP 30/17) | Saint Helena Hotel Development Ltd 2015/16 Audited Annual Financial Statements | The Chief Planning Officer and Building Inspector specify definitely the standards that are applicable to building construction in St Helena and the Building Regulations to be updated and approved accordingly. | Chief Planning Officer | Current St Helena Building Standards are inferior to South African National Standards (SANS 10400). A review of the St Helena Building Regulations is currently being undertaken using a combination of UK and SANS Regs. The Chief Planning Officer and Building Inspector make recommendations to the Planning Authority and Council Members on matters pertaining to the Planning and Building Regulations and where necessary these go to Public Consultation, such as the current review of the Building Regulations; prior to implementation. Updated response February 2019 - The St Helena Building Regulations have been updated accordingly and has been through a public consultation process. The draft was approved by the Environment & Natural Resources Committee in October 2018. It is planned that the draft Building Regulations will go before Executive Council in February 2019 for final approval, with a view to being implemented from 1 April 2019. | New building regulations approved April 2019. | Accepted | Closed |
| 132 | July 18 (SP 38/18) | SHG - Expenditure in Excess 2016/17 | Corporate Finance implements Focal Point into Access Dimensions to ensure that there are automated controls in place to eliminate issues that are causing expenditure in excess. Training must be provided to all finance personnel to ensure that they are adequate for practical operating purposes. | Deputy Financial Secretary | In progress. Arrangements are being made to secure funding for the implementation of focal point. The specification is being developed alongside of the service provider, subject to available sources it is planned to have the service provider on island early in 2019 to deliver the necessary training and development. Target Date: 31 March 2019. Updated response February 2019 - Arrangements are being made to secure funding. | New | Accepted | Open |

REVIEW OF GOVERNMENT RESPONSE TO PAC RECOMMENDATIONS AND PROGRESS WITH IMPLEMENTATION IN SP 03/19 AND SP 23/19

| No | Date Reported to LEGCO by PAC | Body/Name of report | Recommendation | Responsibility | Response | PAC Notes | Management Recommendation in February 2019 in SP 03/19 | PAC Assessment of Recommendation in February 2019 in SP 03/19 |
|-----|-------------------------------|-------------------------------------|--|---|--|-------------------------------|--|---|
| 133 | July 18 (SP 38/18) | SHG - Expenditure in Excess 2016/17 | Financial Secretary ensures that the PAC recommendation stating that he issues regular communications to all Accounting Officers to remind them of their responsibilities with regards to budgetary controls, expenditure spending and monitoring, is being implemented. | Financial Secretary | Implemented. This is a continuous process. On 1 August 2018, following the approval of the annual budget for 2018/19, letters were issued to Accounting Officers reminding them of their responsibilities in accordance with the Public Finance Ordinance. On 26 September 2018, forecasting guidelines were issued to Accounting Officers for the process of forecasting budget plans to the year end. Updated response February 2019 – This recommendation is considered to be implemented. See response to recommendation 80. | New and actioned | Implemented | Closed |
| 134 | July 18 (SP 38/18) | SHG - Expenditure in Excess 2016/17 | Corporate Finance develops a roadmap for the implementation of accruals based budgeting to ensure that all stakeholders are covered and ensures that all necessary stakeholders receive the necessary training with regards to accruals budgeting. | Financial Secretary | In progress A review is being conducted. The initial step is to determine the legislative requirements for budgeting to consider the best method of budgeting that SHG should adopt, one that meets legislative requirements and the needs of decision makers. The review will consider the benefits and challenges of cash based, modified cash based and accruals based budgeting and make a recommendation to Executive Council on the best course of action. The review will also recommend the legislative and policy changes required to implement the recommended course of action. Target Date: 31 March 2019 Updated response February 2019 – The review is ongoing. | New | Accepted | Open |
| 135 | July 18 (SP 38/18) | SHG - Expenditure in Excess 2016/17 | Corporate Finance prepare due diligence papers complete with business plans and risk management to support withdrawal warrants in future so as to avoid the directorate having expenditure in excess after giving up funds. | Deputy Financial Secretary | Recommendation Addressed Corporate Finance has addressed the root cause of this issue by strengthening the performance management function of Corporate Finance to mitigate the risk of expenditure in excess. A Performance Management Team has been established within Corporate Finance to support Accounting Officers with budget management processes and enhance the level of scrutiny of directorate budget submissions. Updated response February 2019 – The previous update remains relevant. | New | Accepted | Open |
| 136 | July 18 (SP 38/18) | SHG - Expenditure in Excess 2016/17 | Corporate Finance provides financial training to non-financial managers (Accounting Officers and their Executive Officers providing accounting support) to enhance their understanding of finance related matters and improve the management of Directorates financial position. | Deputy Financial Secretary | In progress The Performance Management Team which has been established within Corporate Finance includes two Management Accountants who deliver support and guidance to Directorate staff on a daily basis and address training needs identified during this process. Updated response February 2019 – The previous update remains relevant. | New | Accepted | Open |
| 137 | July 18 (SP 38/18) | SHG - Expenditure in Excess 2016/17 | The Health Directorate carry out a contract performance evaluation on the Medical Services Organisation (MSO) contract after the first 12 to 18 months of operation. | Director of Health and Procurement Lead | In progress Contract performance review for the period July 2016 to June 2018 conducted and report is being prepared. Target Date: Report completed by 31 October 2018. Updated response February 2019 – This recommendation is considered to be complete. | New and actioned | Implemented | Closed |
| 138 | July 18 (SP 38/18) | SHG - Expenditure in Excess 2016/17 | The Health Directorate develop an estimation model that will ensure that their budget is adequate for the entire financial year. | Director of Health | Implemented. Budget estimation process in place. Updated response February 2019 – This recommendation is considered to be complete. | New and actioned | Implemented | Closed |
| 139 | July 18 (SP 38/18) | SHG - Expenditure in Excess 2016/17 | The Health Directorate prepare due diligence papers to support withdrawal warrants in future so as to avoid the directorate having expenditure in excess. | Director of Health | Action will be taken as necessary. Note also response to Recommendation 4 above. Updated response February 2019 – The previous update remains relevant. | New | Accepted | Open |
| 140 | July 18 (SP 38/18) | SHG - Expenditure in Excess 2016/17 | The excess expenditure on Head 23, Public Health, for Recurrent Expenditure of £110,996 and Capital Expenditure of £72,821 for the 2016/17 financial year is recommended to be allowed to stand charged to public funds | Financial Secretary | Motion 5 of 26 October 2018 approved under section 106 procedures to allow the excess expenditure for 2016/17 to stand charged to public funds. | New but omitted from SP.03/19 | Implemented | Closed |

REVIEW OF GOVERNMENT RESPONSE TO PAC RECOMMENDATIONS
AND PROGRESS WITH IMPLEMENTATION IN SP 03/19 AND SP 23/19

| No | Date Reported to LESCO by PAC | Body/Name of report | Recommendation | Responsibility | Response | PAC Notes | Management Recommendation in February 2019 in SP 03/19 | PAC Assessment of SP 03/19 in October 2019 |
|-----|-------------------------------|---|--|---|---|-------------------------------|--|--|
| 141 | July 18 (SP 38/18) | SHG - Expenditure in Excess 2016/17 | The excess expenditure on Head 12, Corporate Support Services, for Recurrent Expenditure of £22,161 for the 2016/17 financial year is recommended to be allowed to stand charged to public funds. | Financial Secretary | Motion 5 of 26 October 2018 approved under section 106 procedures to allow the excess expenditure for 2016/17 to stand charged to public funds. | New but omitted from SP 03/19 | Implemented | Closed |
| 142 | July 18 (SP 38/18) | SHG - Expenditure in Excess 2016/17 | Corporate Support develops documented manuals/ processes/procedures to outline their relationship and accounting treatment of transactions with other units, for which they manage budgets on their behalf (e.g. Attorney General's Chambers, UK Representative's office etc). | Deputy Chief Secretary | In progress. Procedures outlining the relationship and accounting treatment for transactions within Head 12 Corporate Services - Support, Policy and Planning, have been drafted and will be finalised by the end of October 2018. Target Date: 31 October 2018 Updated response February 2019 - This recommendations is considered to be complete. | New and actioned | Implemented | Closed |
| 144 | July 18 (SP 38/18) | SHG - Expenditure in Excess 2016/17 | SHG should consider setting up ENRD Technical Services as a trading account especially when rechargeable works are being provided. | Director of Environment and Natural Resources | In progress. The Environment & Natural Resources Directorate is planning to reorganise into two Directorates from 1 April 2019. Two new Directorates, the Environment, Natural Resources & Planning Directorate and the Infrastructure & Transport Directorate will be formed. Technical Service provision will be part of the Infrastructure & Transport Directorate, which will also include Buildings and Grounds Maintenance, Land Registry, Roads, Street Lighting, Geographical Information Systems and Housing. Assessments are being carried out 'in house' as part of the planning process, to determine ways of making the Directorate more efficient and provide better value for money. This includes looking at rechargeable works such as Technical Services with a view to a trading account potentially being set up to accommodate various components of the services provided by the I&T. These plans are still in the development stage at the moment but if they are deemed viable could potentially ensure that the cost of providing these services are recovered through recharging users of these services, which, in turn will help create more resources and a better use of resources, to enable us to meet our strategic goals and objectives. We would of course need to ensure that all of the costs of operating the services as a trading account would be recovered through the recharges. | New | Accepted | Open |
| 145 | July 18 (SP 38/18) | SHG - Expenditure in Excess 2016/17 | SHG should consider capturing the Airport Operations within a special fund to match the expenditures on these operations with the revenues generated through fees and charges | Financial Secretary | Implemented. The Special Fund for the Saint Helena Airport Trading Account was established on 23 March 2018. Updated response February 2019 - This recommendation is considered to be implemented. | New and actioned | Implemented | Closed |
| 146 | 26/10/2018 (SP 45) | SHG 2016/17 Audited Annual Financial Statements and Management Letter | SHG should ensure that the Financial Secretary has access to sufficient technical capacity to maintain both the reporting of the financial statements on a timely basis and the monitoring and management of the current financial position. | Chief Secretary | Response February 2019 - This recommendation is considered to be implemented. Additional staffing resource has been recruited and separate Teams have been established within Corporate Finance for Financial Reporting and Performance Management. | New and actioned | Implemented | Closed |
| 147 | 26/10/2018 (SP 45) | SHG 2016/17 Audited Annual Financial Statements and Management Letter | The Financial Secretary should maintain effort on clearance of the matters causing continued qualification of the SHG financial statements. | Financial Secretary | Response February 2019 - SHG remains committed to addressing the qualification issues and it is anticipated that the majority of the qualification issues will be addressed in the Management Letter on the 2017/18 Financial Statements. | New | Accepted | Open |

REVIEW OF GOVERNMENT RESPONSE TO PAC RECOMMENDATIONS AND PROGRESS WITH IMPLEMENTATION IN SP 03/19 AND SP 23/19

| No | Date Reported to LEGCO by PAC | Body/Name of report | Recommendation | Responsibility | Response | PAC Notes | Management Recommendation in February 2019 in SP 03/19 | PAC Assessment of February 2019 in SP 03/19 in October 2019 |
|-----|-------------------------------|--|--|---------------------|---|--|--|---|
| 148 | 26/10/2018 (SP 45) | SHG 2016/17 Audited Annual Financial Statements and Management Letter | EDF programme governance, management and monitoring arrangements, should be improved to ensure that required variable project indicators are met and timely returns are made to the European Commission to ensure that committed EDF funds are realised to the benefit of St Helena. | Financial Secretary | Response February 2019 – This has been addressed, a project board and a delivery group called St Helena connected has been established to monitor the milestones needed for all tranches of the EDF 11 programme. The St Helena connected group is chaired by a member of executive council. | New | Accepted | Open |
| 149 | 26/10/2018 (SP 45) | SHG 2016/17 Audited Annual Financial Statements and Management Letter | The Chief Auditor is invited to examine the root cause of the waste and inefficiency identified by this Committee (including the un-readiness of the Ruperts Wharf for cargo operations, the Fire Engines which are not fit for purpose, and the write-off of the Water solutions project) and make recommendations to Government to prevent these failings going forward. | PAC | Response February 2019 – This is considered to be within the current remit of the Public Accounts Committee. | Chief Auditor to report under section 29(2) Learning the Lessons from Capital Projects | N/A | Open |
| 150 | 26/10/2018 (SP 45) | St Helena Hotel Development Ltd (SHDL) Audited 2016/17 Annual Financial Statements | Public construction projects have a defects warranty period and contract sum withholding clause, commensurate with the nature of the development works and the public exposure to risk associated with non-performance and the remedy of defects in design or workmanship or operational utility. | Financial Secretary | Response February 2019 – This provision is included in the standard form template for SHG contract: "Within 5 days of Practical Completion, the Contractor and Government's Representative shall agree the value of the Works and the sum due less 5% retention; the Contractor shall issue an invoice and the Government's Representative a payment certificate. The retention shall be released to the Contractor upon satisfactory completion of the Defects' Period". | New and actioned | Implemented | Closed |
| 151 | 26/10/2018 (SP 45) | St Helena Hotel Development Ltd (SHDL) Audited 2016/17 Annual Financial Statements | Procurement Regulations require that where any public procurement contracts is written in a foreign currency, a forward hedging agreement is arranged by the Financial Secretary to manage the associated exchange rate exposure for the duration of the contract. | Financial Secretary | Response February 2019 - This is a requirement in Procurement Regulations, sections 40.1 and 40.2 refers. | Response too vague to be assured required actions are completed. | Implemented | Disputed Does not address the recommendation |
| 152 | 26/10/2018 (SP 45) | St Helena Hotel Development Ltd (SHDL) Audited 2016/17 Annual Financial Statements | PAC underlines recommendations 63 and 64 made in July 2016 that SHG documents how it will manage the capital risk associated with public investment in this project and develop a time bound exit strategy, which may include an initial public offering of shares. | Chief Secretary | Response February 2019 - Please refer to responses for recommendations 63 and 64. | New | Accepted | Open |
| 153 | 26/10/2018 (SP 45) | St Helena Hotel Development Ltd (SHDL) Audited 2016/17 Annual Financial Statements | PAC refers to recommendation 130 made in May 2017. SHG should review and update the range of skills on the SHDL Board to accord with the requirements of the Company during the operational phase and reconsider explicitly the question of conflict of interest of the present directors of SHDL. | Chief Secretary | Response February 2019 – This recommendation is deemed to be closed on the basis that the PAC assessment of SP/36 dated July 18 considered recommendation (130) to be closed. | New and actioned | Implemented | Closed |
| 154 | 26/10/2018 (SP 45) | St Helena Hotel Development Ltd (SHDL) Audited 2016/17 Annual Financial Statements | SHG review the whole appointment process for Executive Directors and Non-Executive Directors across the SHG controlled entities, consistent with the Chief Auditors report on the Governance of SHG Group Entities. | Chief Secretary | Response February 2019 - SHG has recruited a Finance Business Manager whose terms of reference include: to represent SHG as a non-executive director on the Boards of its state controlled entities, and to deliver reforms required to achieve an effective Corporate Governance framework for State Controlled Entities. | New | Accepted | Open |

REVIEW OF GOVERNMENT RESPONSE TO PAC RECOMMENDATIONS
AND PROGRESS WITH IMPLEMENTATION IN SP 03/19 AND SP 23/19

| No | Date Reported to LEGCO by PAC | Body/Name of report | Recommendation | Responsibility | Response | PAC Notes | Management Recommendation in February 2019 in SP 03/19 | PAC Assessment of SP 03/19 in October 2019 |
|-----|-------------------------------|--|---|--|---|------------------|--|--|
| 155 | 26/10/2018 (SP 45) | Connect Saint Helena Ltd (Connect) 2016/17 Audited Annual financial Statements | Connect ensure that comprehensive asset management plans are developed to drive the planned maintenance of electricity and water infrastructure assets. | CEO, CSH | Response February 2019 - Comprehensive asset management plans exist and the company adopts the principle of planned preventative maintenance. | New and actioned | Implemented | Closed |
| 156 | 26/10/2018 (SP 45) | Connect Saint Helena Ltd (Connect) 2016/17 Audited Annual financial Statements | Connect develop efficiency plans designed to manage operating costs through optimum use of labour, transport, plant and materials and contain non-productive costs and overheads. | CEO, CSH | Response February 2019 - Cost efficiencies are high on the management agenda with targets set within the annual appraisal system. Work teams have already been optimised and attend remote workplaces in fully equipped vehicles which has significantly improved the proportion of productive time during the working day. Year on year controllable costs are reducing however the business is subjected to significant uncontrollable costs. | New | Accepted | Open |
| 157 | 26/10/2018 (SP 45) | Connect Saint Helena Ltd (Connect) 2016/17 Audited Annual financial Statements | SHG review the whole appointment process for Executive Directors and Non-Executive Directors across the SHG controlled entities, consistent with the Chief Auditors report on the Governance of SHG Group Entities. | Chief Secretary | Response February 2019 - See response to recommendation 154. | New | Accepted | Open |
| 158 | 26/10/2018 (SP 45) | Enterprise St Helena (ESH) - 2016/17 Audited Annual Financial Statements | ESH Board take ownership of the PAC recommendations addressed to ESH and focus on clearing those long outstanding items. | Chief Executive for Economic Development | Response February 2019 - ESH Board is aware of the recommendations and is working to resolve them. | New | Accepted | Open |
| 159 | 26/10/2018 (SP 45) | Enterprise St Helena (ESH) - 2016/17 Audited Annual Financial Statements | ESH should appoint independent non-executive directors on the Board of Bertrand's Cottage Ltd and avoid any conflicts of interest. | Chief Executive for Economic Development | Response February 2019 - ESH Board of Directors agreed at their Board meeting held in July that independent directors will be appointed to the Bertrand's Cottage Board of Directors. The current Bertrand's Board and the CEED has updated the Terms of Reference which will focus on the resources which is lacking on the board (i.e. Marketing) and this post is currently being advertised. | New | Accepted | Open |
| 160 | 26/10/2018 (SP 45) | Enterprise St Helena (ESH) - 2016/17 Audited Annual Financial Statements | ESH should review the accounting treatment of grant funded capital works so that the financial statements of ESH properly recognise the right obligations and service potential accruing from these assets. | Chief Executive for Economic Development | Response February 2019 - In the past financial year (2017/2018) all improvements to the leasehold properties have been capitalised in the Financial Statements. All future improvements will now also be capitalised. | New and actioned | Accepted | Closed |

REVIEW OF GOVERNMENT RESPONSE TO PAC RECOMMENDATIONS
AND PROGRESS WITH IMPLEMENTATION IN SP 03/19 AND SP 23/19

| No | Date Reported to LEGCO by PAC | Body/Name of report | Recommendation | Responsibility | Response | PAC Notes | Management Recommendation in February 2019 in SP 03/19 | PAC Assessment of Recommendation in October 2019 |
|-----|-------------------------------|--|---|---------------------|---|--|--|--|
| 161 | 26/10/2018 (SP 45) | Bank of St Helena Ltd (BOSH) - 2016/17 Audited Annual Financial Statements | BOSH Board removes the link between the pay bonus and the audit report and looks instead at alternative performance measures. | Manager, BOSH | Response February 2019 - This is a Board and Management issue and will be considered accordingly. | Response too vague to be assured required actions are completed. | Accepted | Disputed Does not address the recommendation |
| 162 | 26/10/2018 (SP 45) | Bank of St Helena Ltd (BOSH) - 2016/17 Audited Annual Financial Statements | BOSH review the performance and operational resilience of the local debit card scheme and make changes necessary to improve take-up and realise the operational efficiencies of electronic transaction processing. | Manager, BOSH | Response February 2019 - The Bank constantly reviews the performance and operational resilience of all its products and services and makes the necessary changes to enable improvement and efficiencies. | Response too vague to be assured required actions are completed. | Accepted | Disputed Does not address the recommendation |
| 163 | 26/10/2018 (SP 45) | Bank of St Helena Ltd (BOSH) - 2016/17 Audited Annual Financial Statements | BOSH look to introduce the international pre-paid card as soon as possible to alleviate the practical difficulties of exchanging local currency for travel overseas. | Manager, BOSH | Response February 2019 - As advised at the PAC in May 2018, the bank is making progress in this area. | Response too vague to be assured required actions are completed | Accepted | Disputed Does not address the recommendation |
| 164 | 26/10/2018 (SP 45) | Bank of St Helena Ltd (BOSH) - 2016/17 Audited Annual Financial Statements | SHG articulates strategic direction and performance expectations for the Bank and determines distribution of retained earnings as dividend. | Manager, BOSH | Response February 2019 - see response to recommendation 113. | New | Accepted | Open |
| 165 | 26/10/2018 (SP 45) | Bank of St Helena Ltd (BOSH) - 2016/17 Audited Annual Financial Statements | SHG review the whole appointment process for Executive Directors and Non-Executive Directors across the SHG controlled entities, consistent with the Chief Auditors report on the Governance of SHG Group Entities. | Manager, BOSH | Updated response February 2019 - See response to recommendation 154. | New | Accepted | Open |
| 166 | SP 01/19 08/03/2019 | St Helena Government - Expenditure in Excess 2017/18 | The Financial Secretary introduce measures to identify capital expenditure when preparing budget estimates and during the financial year by reference to the contracts register and through other means. | Financial Secretary | Additional resources within the Corporate Finance team enabled further controls to be implemented with regard to classification of expenditure in the preparation of the SHG Budget. This involved scrutiny at both the directorate and corporate level. Further training has been provided on classification of expenditure and adjustments have been made to the Budget Templates to ensure that capital expenditure is captured during the planning process. This work has resulted in capital expenditure for I&T being appropriately classified in the 2019/20 Budget. | New and actioned | Completed | Closed |
| 167 | SP 01/19 08/03/2019 | St Helena Government - Expenditure in Excess 2017/18 | The excess expenditure on Head 23, Health, for Recurrent Expenditure of £10,404 for the 2017/18 financial year is recommended to be allowed to stand charged to public funds | Financial Secretary | Legislative Council resolved at the 8 March 2019 meeting that the Statement of Expenditure in Excess 2017/18 laid as SP 46/2018 should stand charged to public funds in accordance with section 106(3) of the Constitution. | New and actioned | Completed | Closed |
| 168 | SP 01/19 08/03/2019 | St Helena Government - Expenditure in Excess 2017/18 | The excess expenditure on Head 22, Education, for Capital Expenditure of £34,304 for the 2017/18 financial year is recommended to be allowed to stand charged to public funds. | Financial Secretary | Legislative Council resolved at the 8 March 2019 meeting that the Statement of Expenditure in Excess 2017/18 laid as SP 46/2018 should stand charged to public funds in accordance with section 106(3) of the Constitution. | New and actioned | Completed | Closed |

REVIEW OF GOVERNMENT RESPONSE TO PAC RECOMMENDATIONS AND PROGRESS WITH IMPLEMENTATION IN SP 03/19 AND SP 23/19

| No | Date Reported to LEGCO by PAC | Body/Name of report | Recommendation | Responsibility | Response | PAC Notes | Management Recommendation in February 2019 in SP 03/19 | PAC Assessment of SP 03/19 in October 2019 |
|-----|-------------------------------|--|--|---|---|------------------|--|--|
| 169 | SP 01/19 08/03/2019 | St Helena Government - Expenditure in Excess 2017/18 | The Director of Education introduces measures to ensure the correct classification of capital and revenue expenditure when preparing the budget estimates and in the recording of transactions. | Director of Education | There is greater awareness within the team on the classification of capital and recurrent expenditure. Training has been provided to the team by the Management Accountant on classification of expenditure. In the preparation for the 2019/20 Budget a review was undertaken on capital spend before the budget was finalised. Capital spend is being monitored by the Finance Officer, Business Manager and the Director who has oversight of finances for Education. | New and actioned | Completed | Closed |
| 170 | SP 01/19 08/03/2019 | St Helena Government - Expenditure in Excess 2017/18 | The excess expenditure on Head 26, Environmental and Natural Resources Directorate, for Capital Expenditure of 154,190 for the 2017/18 financial year is recommended to be allowed to stand charged to public funds. | Financial Secretary | Legislative Council resolved at the 8 March 2019 meeting that the Statement of Expenditure in Excess 2017/18 laid as SP 46/2018 should stand charged to public funds in accordance with section 106(3) of the Constitution. | New and actioned | Completed | Closed |
| 171 | SP 01/19 08/03/2019 | St Helena Government - Expenditure in Excess 2017/18 | The Director of ENRD introduces measures to ensure the correct classification of capital and revenue expenditure when preparing the budget estimates and in the recording of transactions. | Director of Environment and Natural Resources | Capital expenditure is now identified when budget submission are being compiled. The Finance Manager supported by the Management Accountant ensures that this exercise is done with relevant budget holders as necessary before the budget estimates are submitted. When capital items are then financed the transactions are taken directly from the capital expenditure budget line. Training has been provided to relevant officers on classification of expenditure. | New and actioned | Completed | Closed |
| 172 | SP 01/19 08/03/2019 | St Helena Government - Expenditure in Excess 2017/18 | The excess expenditure on Head 29, Safeguarding Directorate, for Capital Expenditure of £399 for the 2017/18 financial year is recommended to be allowed to stand charged to public funds. | Financial Secretary | Legislative Council resolved at the 8 March 2019 meeting that the Statement of Expenditure in Excess 2017/18 laid as SP 46/2018 should stand charged to public funds in accordance with section 106(3) of the Constitution. | New and actioned | Completed | Closed |
| 1PR | 10/02/2014 Updated 7/10/14 | SHG Financial Statements 2011/12 | The Financial Secretary should improve the timeliness of accounts preparation. Legislative Council should amend the Public Finance Ordinance to require the Financial Secretary to present financial statements to the Chief Auditor for audit within 4 months of year end consistent with the PEFA report of February 2014. | Financial Secretary | Once the backlog of Financial Statements has been addressed we will aim to produce the Financial Statements within four months of the year end for audit by the SHAS. The aim will be for Financial Statements to be signed off (i.e. Opinion given by the Chief Auditor) by the end of December each year. Updated response March 2018 – Current plans remain as originally reported. | In-progress | Accepted | Open |
| 2PR | 10/02/2014 | SHG Financial Statements 2011/12 | The Financial Secretary should continue with plans to introduce accruals based budgeting in time for the 2016/17 budget process. | Financial Secretary | Updated response February 2019 – SHG plans to have the accounts for 2018/19 submitted to the SHAS within 4 months of the end of the financial year. We agree with the recommendation but not the timeline and we are aiming to introduce for the 2019/20 financial year. Updated response July 2018 – Introduction date to be agreed as a part of the plan to strengthen the public finance function. Additional resource has been secured in the form of three qualified Management Accountants who will lead on this process. As agreed with Executive Council in June 2018, a review is required (planned for the second quarter of 2018/19) to determine the legislative requirements for budgeting and to consider the best method of budgeting that SHG should adopt that meets legislative requirements and the needs of decision makers. The review will consider the benefits and challenges of cash based, modified cash based and accruals based budgeting and make a recommendation to Executive Council on the best course of action. Importantly the review will determine the recognition criteria of expenditure and revenue for budgeting purposes in accordance with the law for the recommended method. The review will also recommend the legislative and policy changes required to implement the recommended course of action. | In-progress | Accepted | Open |

Undated response February 2019 - Current plans remain as originally reported.

