

S.P. 12/16

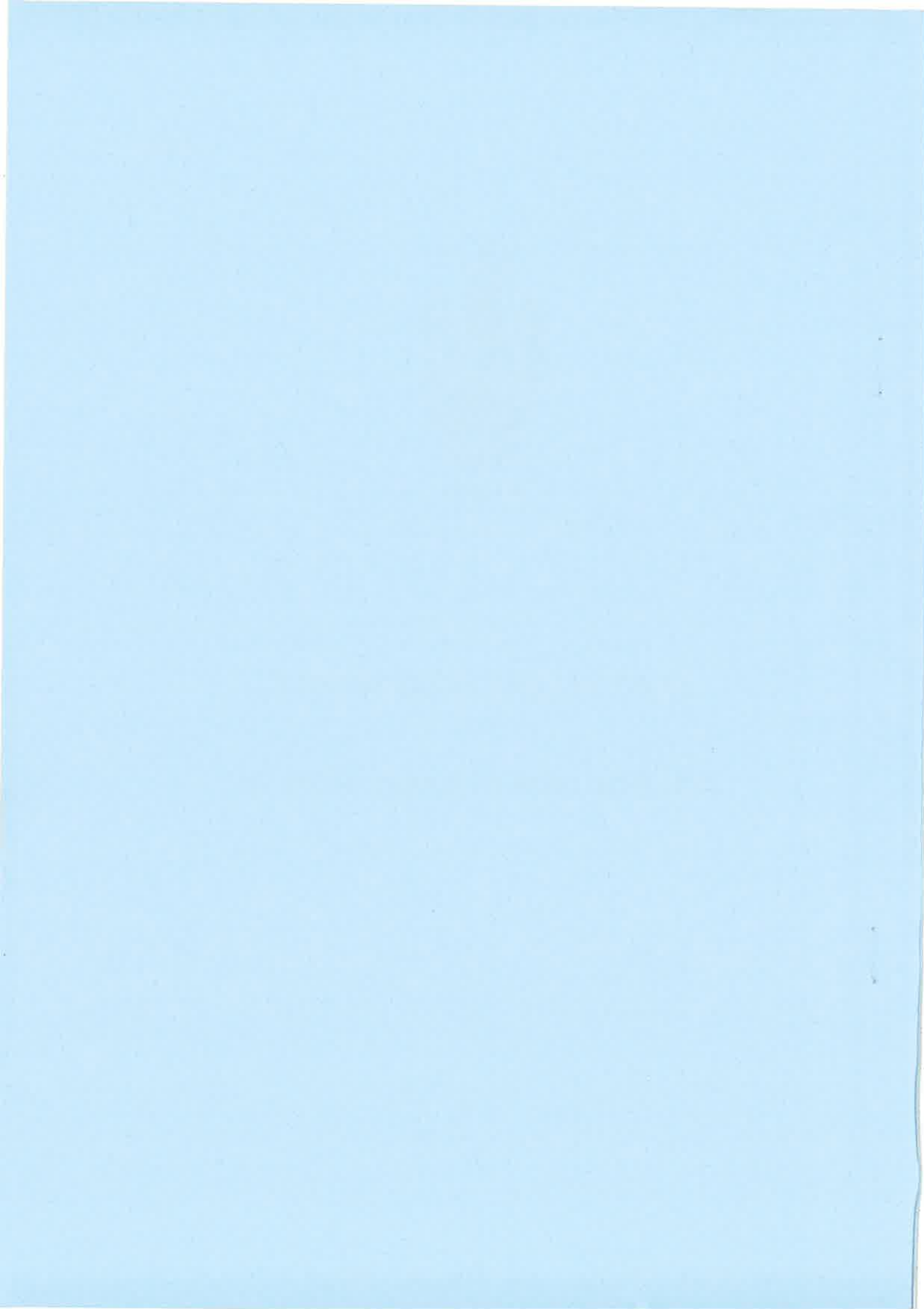


ST. HELENA

## SAINT HELENA AUDIT SERVICE

STRATEGIC AUDIT PLAN 2016/17 TO 2018/19

Laid on the Table - 18 March 2016.

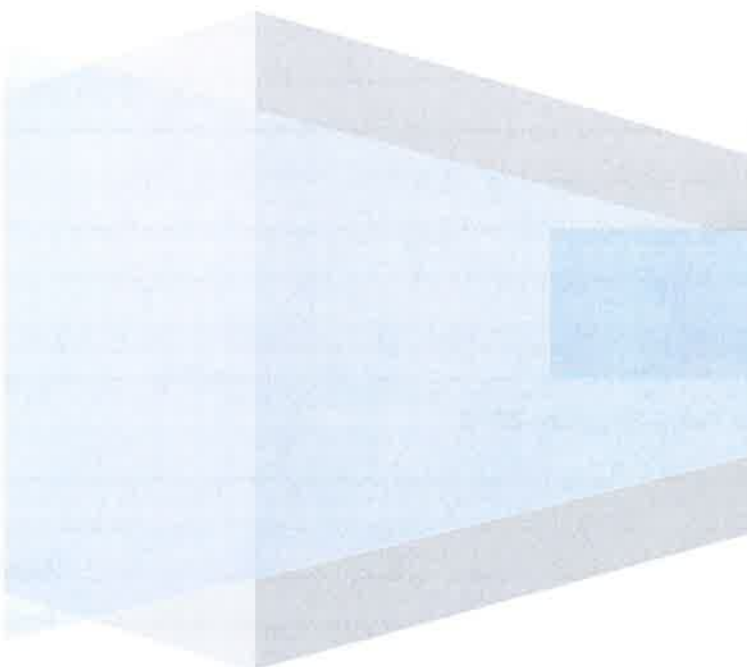




**SAINT HELENA AUDIT SERVICE**  
External Auditors

# **Strategic Audit Plan**

**2016/17 to 2018/19**



**16/02/2016**

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## INTRODUCTION

The Saint Helena Audit Service supports the Chief Auditor in carrying out his responsibilities under the Constitution, the Public Finance Ordinance 2010 and other relevant legislation.

Whilst the constitution provides that the remuneration of the Chief Auditor shall be charged upon the Consolidated Fund the operating costs of the Audit Service are managed through the St Helena Audit Service Trading Account as set up by the Special Fund (St Helena Audit Service Trading Account) Order, 2013<sup>1</sup>.

The Special Fund captures the operating expenditure of the Saint Helena Audit Service and the income arising from fees charged for audit work. Accordingly the Audit Service does not require direct appropriations from the Saint Helena Government Consolidated Fund. Governance oversight is provided by the Public Accounts Committee which approves the Audit Service annual budget estimates.

This strategic audit plan sets out the work that the Chief Auditor plans to carry out in the three-year period 2016/17 to 2018/19, the resources that we expect to use in carrying out that work, and the fee income that we anticipate receiving. The plan rolls-forward and updates the previous strategic plan for the 3-year period 2015/16 to 2017/18 laid before LegCo in March 2015 as SP 5/15.

## SCOPE OF WORK

The Chief Auditor may perform work through his staff employed within the Saint Helena Audit Service or may engage qualified accountants to perform work on his behalf.

The Chief Auditor may need to perform various forms of engagement to meet the audit reporting requirements of government and other statutory bodies:

- Financial Audit
- Independent Examinations
- Certification
- Agreed upon Procedures
- Performance Audit

The Chief Auditor may also provide audit or accountancy services either to government or to persons outside government provided that work will not interfere with the statutory duties of the auditor.

## FINANCIAL AUDIT

A financial audit is an independent examination of financial statements resulting in an audit opinion and a management letter. It is carried out under International Standards of Audit (UK & Ireland), known as ISAs. The Interpretations Ordinance defines an audit as "an independent examination of financial statements resulting in a report, which, where it relates to an entity whose gross income exceeds £500,000, or whose gross income exceeds £250,000 and gross assets exceed £3.26 million, shall comply with the International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board."<sup>2</sup>

The Audit Service conducts such audits using its Financial Audit Manual, completed in January 2014. This is a fully ISA compliant methodology for which audit staff have received training.

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<sup>1</sup> Legal Notice No. 11 of 2013

<sup>2</sup> Interpretation (Amendment) Ordinance 2014

## INDEPENDENT EXAMINATION

An independent examination is an assurance service provided to a body which does not meet the requirement for an ISA compliant audit. Such an examination provides a lower level of assurance, and is conducted in accordance with best practice as set out in International Standard on Review Engagements (ISRE) 2400 (Revised), *Engagements to Review Historical Financial Statements* and other relevant guidance such as the Charity Commission's *Independent examination of Charity Accounts: Examiner's Guide*.

## CERTIFICATION

Certification is the provision of services to the level described in a certificate which the Chief Auditor is requested to sign. Depending on the nature of the certification, such work may be conducted in accordance with an appropriate assurance framework but normally as a Review Engagement under ISRE 2400. Most of the work in this area relates to the certification of aid fund statements on behalf of donor organisations including DFID.

## AGREED UPON PROCEDURES

Agreed upon Procedures are procedures that are carried out on behalf of others so that they may interpret the results themselves. When carrying out agreed upon procedures, the Audit Service reports the results of the procedures but does not provide any assurance. Agreed upon Procedures are conducted in accordance with International Standard on Related Services (ISRS) 4400, *Engagements to Perform Agreed-upon Procedures Regarding Financial Information*.

## PERFORMANCE AUDIT

A Performance Audit (often known as Value for Money audit) is an examination into one or more of the economy, efficiency and effectiveness with which government's resources have been used. The Chief Auditor is required to make such enquiries and investigations on behalf of the Legislative Council as he considers necessary or appropriate to determine whether resources have been used with proper regard to economy, efficiency and effectiveness.<sup>3</sup>

A Performance Audit Manual remains under development through technical assistance to design audit methodology in this area. In the interim we have adopted the International Standards for Supreme Organisations ISSAI series 300 and 3000 published by INTOSAI which cover Performance Audit principles and guidance.

## ACCOUNTING SERVICES

The availability of professional accounting services in St Helena is limited. The Chief Auditor may use the St Helena Audit Service to provide accounting services to non-governmental organisations for a fee where it may assist those entities to prepare statutory financial statements for external publication<sup>4</sup>. The provision of such accounting services will be designed to meet the requirement of the Ethical Standard 5 on the provision of non-audit services.

The maintenance of accounting records and the preparation of financial statements are the responsibility of the management of the audited body. Accordingly in any engagement to provide accounting services the Audit Service will not initiate any transactions or take decisions or make any judgements which are properly the responsibility of management.

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<sup>3</sup> Public Finance Ordinance 2010 29(2)(a)

<sup>4</sup> Public Finance Ordinance 2010 35

The proposed accounting service is aimed at the smaller non-governmental bodies and will provide assistance with the preparation of financial statements where management take decisions on issues requiring the exercise of judgement and has prepared the underlying accounting records.

## KEY SERVICE CHALLENGES

### BACKGROUND

The previous strategic audit plan identified a range of service challenges falling upon the Office of Chief Auditor. This section provides a refresh on those specific challenges and next section explains what plans and progress has been made in resolving these issues.

### PROVIDING A WIDE SCOPE AUDIT

The Chief Auditor is responsible for the statutory external audit of government and public entities in St Helena. These responsibilities include both the audit of financial statements requiring an independent auditors report and performance audits designed to assess whether value for money is secured in the use of resources.

The Public Accounts Committee operating on behalf of Legislative Council is wishing not only to ensure that public bodies have properly discharged their stewardship and accountability, in terms of true and fair financial reporting, but can also demonstrate economy, efficiency and effectiveness in their use of public resources. Accordingly the auditor will also prepare reports on performance in addition to the opinion on the accounts.

### MEETING THE DEMANDS OF INTERNATIONAL STANDARDS ON AUDITING

The Chief Auditor is required under statute to conduct his audits in accordance with International Standards on Auditing – these ISAs are exacting professional standards and there are no tolerances. Indeed the standards are designed to address the expectation gap between stakeholders and auditors by ensuring that an audit is properly defined and executed so that the resultant independent auditors report is soundly based and provides an objective and reliable position statement.

With Technical Cooperation support in 2014 the Saint Helena Audit Service developed an audit approach and quality manual procedures capable of delivering an ISA compliant audit. Putting this policy into practice will require sustained investment in professional and vocational training and support so that the technical approach becomes an operational reality. There is also clear scope to improve audit documentation and technical compliance with the methodology through the implementation of packaged audit management system.

### MULTIPLE BODIES WITH DIFFERENT REPORTING FRAMEWORKS

The public sector divestment strategy which is required to diversify and grow the economy of St Helena will increase the external audit workload as new entities are established and therefore require an independent audit report to maintain an effective line of accountability to the public.

These various entities are required to report in accordance with a recognised financial reporting framework. The different accounting frameworks are designed to be appropriate to the nature of the entity so as to provide fair financial reporting. But equally these all require professional level understanding and application in terms of both the preparer of the accounts and the function of the auditor.



The appointed firm Moore Stephens has completed the first round of audits bringing the St Helena audits up to date for 2014/15 financial reporting and then 2015/16 in the second round. Whilst the expectation is that the other bodies will then continue for a third round 2016/17 the audit of Enterprise St Helena is planned to return to Saint Helena Audit Service.

## GOVERNANCE FRAMEWORK FOR THE OVERSEAS TERRITORIES

In response to the 2013 Joint Ministerial Council the Overseas Territories Department of the Foreign and Commonwealth Office (FCO) sponsored an initiative designed to strengthen audit and parliamentary oversight across the Overseas Territories. The FCO commissioned the National Audit Office (NAO) to develop a framework for public financial oversight in the Overseas Territories. A discussion draft was published in March 2015 and the final report with recommendations is expected to be promulgated through FCO in 2016.

The framework provides a basis for reviewing current arrangements and identifying gaps and opportunities for improvement in St Helena. The proposed approach involves an officer level working group which in consultation with Chairs of PAC and Audit Committee may make recommendations to the Governor, the Executive and Legislative Council for strengthening governance and oversight.

The Chief Auditor will contribute to this process and make recommendations for the development of the statutory audit function in St Helena consistent with the proposed framework.

## PLANNED WORK PROGRAMME

### OUTSOURCED AUDITS

As outlined in the previous strategic plan a procurement exercise was completed in 2015 for those statutory bodies previously audited by St Helena Audit Service which lend themselves to the use of an outsourced external auditor. Table 1 details the bodies and those outsourced audits that will fall in each of the three-operational years under contract.

| Entity                       | During 2015/16      | During 2016/17      | During 2017/18   |
|------------------------------|---------------------|---------------------|------------------|
| <b>Enterprise St Helena</b>  | 2013/14 and 2014/15 | 2015/16             | Return to SHAS   |
| <b>Connect St Helena Ltd</b> | 2013/14 and 2014/15 | 2015/16             | Option to extend |
| <b>Bank of St Helena Ltd</b> | 2014/15             | 2015/16             | Option to extend |
| <b>Tristan da Cunha</b>      | 2012 and 2013       | 2014/15 and 2015/16 | Option to extend |

These bodies participated in the joint commissioning arrangement and entered into a professional services contract directly with the appointed firm Moore Stephens LLP. The outsourcing of these audits has released internal capacity within St Helena Audit Service necessary to implement the ISA compliant audit approach and enable the Chief Auditor to respond to the statutory demands to bring the Financial Statements of Government up to date.

Because of their scale and specialist nature the commercial company audits of the Bank of St Helena and the utility provider Connect St Helena Ltd are expected to continue with the appointed audit firm in the medium term. However given the close alignment of ESH with the Sustainable Development Plan and reliance upon grant funding the intention is to returning the ESH audit back to SHAS when the backlog is cleared and internal capacity is restored.



In addition to the above bodies there are three other entities within the St Helena Government group where audits are already performed by private sector accounting firms. These are:

- St Helena Line Limited – audit performed by Bishop Fleming LLP
- Solomon & Company (St Helena) PLC – audit performed by Grant Thornton LLP

In the case of Tristan da Cunha Government the Governor has made arrangements under the constitution for the appointed auditor Moore Stephens to continue to service the audit until such time that authority is revoked.

## AUDITS TO BE PERFORMED BY SHAS

The Audit Service plans to conduct work in the period 2016/17 to 2018/19 is shown in the tables below. The opinion deadlines are as set out in statute, where statute sets such a deadline. In the case of Saint Helena Government, the deadline is 6-months after the Financial Secretary submits the financial statements to the Chief Auditor. Until the backlog in financial reporting and audit is clear these statutory reporting deadlines will not be met. The SHG forward accounts plan anticipates that normal timetables will be resumed for the reporting of financial years 2016/17 onward.

Whilst there is no current statutory obligation upon the Financial Secretary the declared intention is to amend the Public Finance Ordinance to require accounts preparation within 4 months of year-end and audit completion within 5-months of year-end thereby enabling audit reporting of the Financial Statements of Government within 9-months of the financial year-end.

## FINANCIAL AUDIT

Each financial audit will include the following outputs being reported to the audited entity:

- Engagement Letter
- Independent Auditors Report
- Management Letter

| Audit                           | Opinion Date | 2016/17 | 2017/18 | 2018/19 |
|---------------------------------|--------------|---------|---------|---------|
| Saint Helena Government 2013/14 | 15-Jun-16    | √       |         |         |
| Saint Helena Government 2014/15 | 15-Sep-16    | √       |         |         |
| Saint Helena Government 2015/16 | 31-Dec-16    | √       |         |         |
| Saint Helena Government 2016/17 | 31-Dec-17    |         | √       |         |
| Saint Helena Government 2017/18 | 31-Dec-18    |         |         | √       |
| SHG Currency Fund 2015/16       | 30-Sep-16    | √       |         |         |
| SHG Currency Fund 2016/17       | 30-Sep-17    |         | √       |         |
| SHG Currency Fund 2017/18       | 30-Sep-17    |         |         | √       |
| SHG Pension Scheme 2015/16      | 31-Jul-16    | √       |         |         |
| Bulk Fuel Installation 2015/16  | 31-Oct-16    | √       |         |         |
| Bulk Fuel Installation 2016/17  | 30-Sep-17    |         | √       |         |
| Enterprise Saint Helena 2016/17 | 31-Sep-17    |         | √       |         |
| Enterprise Saint Helena 2017/18 | 31-Sep-18    |         |         | √       |

## INDEPENDENT EXAMINATION

Each independent examination will include the following outputs being reported:

- Engagement Letter

- Independent Examiners Report
- Management Letter where necessary

| Audit                                  | Opinion Date | 2016/17 | 2017/18 | 2018/19 |
|--|--------------|---------|---------|---------|
| South Atlantic Media Services 2014/15  | 31-Jun-16    | √       |         |         |
| South Atlantic Media Services 2015/16  | 30-Nov-16    | √       |         |         |
| South Atlantic Media Services 2016/17  | 30-Sep-17    |         | √       |         |
| South Atlantic Media Services 2017/18  | 30-Sep-18    |         |         | √       |
| Saint Helena Fisheries Corp 2015/16    | 30-Sep-16    | √       |         |         |
| Saint Helena Fisheries Corp 2016/17    | 30-Sep-17    |         | √       |         |
| Saint Helena Fisheries Corp 2017/18    | 30-Sep-18    |         |         | √       |
| Saint Helena National Trust 2015/16    | 30-Sep-16    | √       |         |         |
| Saint Helena National Trust 2016/17    | 30-Sep-17    |         | √       |         |
| Saint Helena National Trust 2017/18    | 30-Sep-18    |         |         | √       |
| Saint Helena Hotel Development 2015/16 | 30-Nov-16    | √       |         |         |
| Saint Helena Hotel Development 2016/17 | 30-Nov-17    |         | √       |         |

## CERTIFICATION

Each certification will include a Certificate issued upon the Aid Fund Statement in accordance with the Memorandum of Understanding between SHG and the grant funding body.

| Audit                              | Opinion Date | 2016/17 | 2017/18 | 2018/19 |
|------------------------------------|--------------|---------|---------|---------|
| MOU – Enterprise St Helena 2015/16 | 31-Dec-16    | √       |         |         |
| MOU – Enterprise St Helena 2016/17 | 31-Dec-17    |         | √       |         |
| MOU – Enterprise St Helena 2017/18 | 31-Dec-18    |         |         | √       |
| MOU – EDF Infrastructure 2014/15   | 31-Dec-16    | √       |         |         |
| MOU – EDF Infrastructure 2015/16   | 31-Dec-16    | √       |         |         |
| MOU – EDF Infrastructure 2016/17   | 31-Dec-17    |         | √       |         |
| MOU – EDF Infrastructure 2017/18   | 31-Dec-18    |         |         | √       |
| MOU – Air Access Project           | 31-Dec-16    | √       |         |         |
| MOU – TBC                          | TBC          | √       | √       | √       |

There may be other certification requirements arising from specific development aid projects which will be accommodated as required – these are marked TBC in the above table.

## AGREED UPON PROCEDURES

Each agreed upon procedures will include:

- Engagement Letter
- Agreed upon Procedures Report

| Audit                         | Opinion Date | 2016/17 | 2017/18 | 2018/19 |
|-------------------------------|--------------|---------|---------|---------|
| Connect St Helena Stock Check | 31-May-16    | √       |         |         |
| Connect St Helena Stock Check | 31-May-17    |         | √       |         |
| Connect St Helena Stock Check | 31-May-18    |         |         | √       |
| TBC                           | TBC          | √       | √       | √       |

There may be other agreed-upon-procedures to be performed on behalf of other bodies and these will be accommodated as required – these are marked TBC in the above table.

## PERFORMANCE AUDIT

Each performance audit will include:

- Scope
- Audit Report

| Audit                 | 2016/17    | 2017/18   | 2018/19   |
|-----------------------|------------|-----------|-----------|
| Performance Audit 1   | 31-July-16 | 30-Jun-17 | 30-Jun-18 |
| Performance Audit 2   | 30-Nov-16  | 30-Sep-17 | 30-Sep-18 |
| Performance Audit 3   | 31-Mar-17  | 31-Dec-17 | 31-Dec-18 |
| Performance Audit 4   | N/A        | 31-Mar-18 | 31-Mar-19 |
| Discretionary Audit 1 | 31-July-16 | 30-Jun-17 | 30-Jun-18 |
| Discretionary Audit 2 | 30-Nov-16  | 30-Sep-17 | 30-Sep-18 |
| Discretionary Audit 3 | 31-Mar-17  | 31-Dec-17 | 31-Dec-18 |
| Discretionary Audit 4 | N/A        | 31-Mar-18 | 31-Mar-19 |

The subject of the main Performance Audits will be confirmed after consultation with all relevant stakeholders. In addition to the performance audits we provided for some discretionary audits to be delivered in response to any emergent issues identified in the year.

The delivery of performance audits will be profiled to balance workload through the year between financial audit work which is tied to particular statutory reporting dates and performance audit work where the workflow can be more flexible.

Provision has also been made for on-going support and advice to Public Accounts Committee. This provision will also cover the production of PAC briefing papers and special reports on any matters of importance identified by the Chief Auditor.

## ACCOUNTING SERVICES

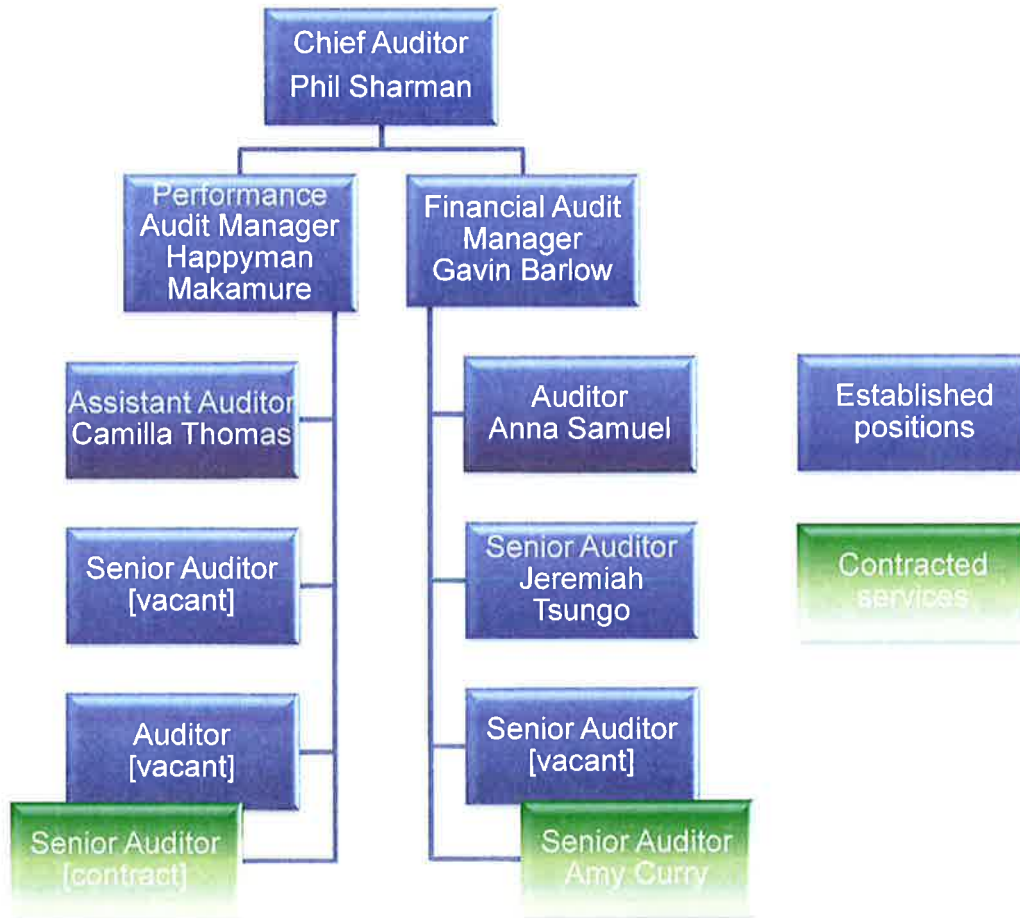
To address the capacity and capability gap in the smaller non-governmental organisations SHAS will offer accounting services directed specifically upon the preparation of statutory financial statements from the accounting records and trial balance maintained by the entity. The accounting services will be designed to complement the work required for the independent examination so that the combined solution represents good value for the entity.

| Accounting Service                    | Opinion Date | 2016/17 | 2017/18 | 2018/19 |
|---------------------------------------|--------------|---------|---------|---------|
| South Atlantic Media Services 2015/16 | 30-Nov-16    | √       |         |         |
| South Atlantic Media Services 2016/17 | 30-Sep-17    |         | √       |         |
| South Atlantic Media Services 2017/18 | 30-Sep-18    |         |         | √       |
| Saint Helena Fisheries Corp 2015/16   | 30-Sep-16    | √       |         |         |
| Saint Helena Fisheries Corp 2016/17   | 30-Sep-17    |         | √       |         |
| Saint Helena Fisheries Corp 2017/18   | 30-Sep-18    |         |         | √       |
| Saint Helena National Trust 2015/16   | 30-Sep-16    | √       |         |         |
| Saint Helena National Trust 2016/17   | 30-Sep-17    |         | √       |         |
| Saint Helena National Trust 2017/18   | 30-Sep-18    |         |         | √       |

## TEAM STRUCTURE

The internal restructure trailed in the previous strategic plan was implemented as planned during 2015/16 – Figure 1 below sets out the new team structure. Total headcount remains unchanged at Chief Auditor plus eight staff members but professional capacity is increased at Audit Manager and Senior Auditor grade. This change reflects the increased complexity of the audit function and skills required to achieve compliance with international standards on auditing.

FIGURE 1 AUDIT SERVICE TEAM STRUCTURE 2016



The position of Financial Audit Manager will lead two sub-teams with prime responsibility for operational delivery and leading the financial audit programme. For the two-year period June 2015 to May 2017 this established position will be covered through Short Term Technical Cooperation to give a dedicated focus on audit backlog clearance in the Financial Statements of Government.

The position of Performance Audit Manager is re-established with prime responsibility for leading VFM audit and providing PAC support. For the two-year period November 2015 to October 2017 this role will be covered through Short Term Technical Cooperation with a focus on design and implementation of a performance audit manual and delivering a rolling programme of value for money audit work.



Matrix team working at Senior Auditor, Auditor and Assistant Auditor level allows flexible deployment across both financial and performance work-streams. It also provides opportunity for local staff to undertake technician and professional level studies and therefore internal progression.

In addition to the established positions fixed-term contract assistance has been hired to add internal capacity through 2016/17 being the peak loading of the backlog clearance programme. This contract resource will be released when the audited accounts are up to date and the service can return to a normal workflow.

## SPECIAL FUND ESTIMATES

The budgeted cost of operating the Saint Helena Audit Service is shown in the table below – subject to PAC approval these will form the financial estimates for the operation of the Special Fund.

|                                      | 2015/16<br>Approved<br>Budget £ | 2016/17<br>Draft<br>Budget £ | 2017/18<br>Draft<br>Budget £ | 2018/19<br>Draft<br>Budget £ |
|--------------------------------------|---------------------------------|------------------------------|------------------------------|------------------------------|
| <b>REVENUE</b> [note 1]              |                                 |                              |                              |                              |
| <b>Financial Audits – SHG</b>        | 164,900                         | 194,500                      | 81,000                       | 81,000                       |
| <b>Financial Audits – NGO</b>        | 98,000                          | 36,500                       | 38,800                       | 38,800                       |
| <b>Performance Audits</b>            | 38,100                          | 52,600                       | 66,400                       | 66,400                       |
|                                      | <b>301,000</b>                  | <b>283,600</b>               | <b>186,200</b>               | <b>186,200</b>               |
| <b>EXPENDITURE</b> [note 1]          |                                 |                              |                              |                              |
| <b>Employee costs</b>                | 188,350                         | 144,100                      | 145,100                      | 144,600                      |
| <b>External contractors</b> [note 2] | 49,200                          | 86,700                       | 4,100                        | 4,100                        |
| <b>Property costs</b> [note 3]       | 3,310                           | 7,700                        | 3,900                        | 4,100                        |
| <b>Other operating costs</b>         | 20,140                          | 45,000                       | 32,800                       | 32,800                       |
|                                      | <b>261,000</b>                  | <b>283,500</b>               | <b>185,900</b>               | <b>185,600</b>               |
| <b>OPERATING SURPLUS/ (DEFICIT)</b>  | <b>40,000</b>                   | <b>100</b>                   | <b>300</b>                   | <b>600</b>                   |
| Special Fund surplus [b/f]           | 4,000                           | 44,000                       | 44,100                       | 44,400                       |
| <b>Special Fund surplus [c/f]</b>    | <b>44,000</b>                   | <b>44,100</b>                | <b>44,400</b>                | <b>45,000</b>                |

**Note 1** – expenditure and revenues for 2015/16 are forecast to be lower than budgeted due to the rephasing of the clearance programme shifting costs and revenues into 2016/17

**Note 2** – contract resource supplementation for backlog clearance programme

**Note 3** – property costs in this analysis include contracted-out cleaning cost services

In revenue terms the income reflects the changing pattern of audit provision particularly in 2016/17. The transfer of NGO audits to outsourced provision has reduced external revenues. Correspondingly an increasing share of revenues now arises from SHG reflecting our focus on the financial statements of Government whilst the backlog is cleared. The estimates for financial years 2017/18 and 2018/19 reflect the restoration of normal work flow.

Our statutory obligation to examine economy efficiency and effectiveness in accordance with section 29(2)(a) of the Public Finance Ordinance is being met by establishing internal capacity to deliver a programme of performance audits and provide professional support PAC and generally promote good governance and accountability in the public administration of St Helena. SHG will meet the recharged cost of this mandatory work-stream as a line item rather than seeking to recover the costs from the individual areas subject to review.

Consistent with 2015/16 the forward budget estimates include the local equivalent salary for those manager positions currently provided through Technical Cooperation – an equivalent contribution will then be paid into the TC fund. This will mean that the Special Fund budget will retain the provision to hire to all established positions other than the Chief Auditor which under section 110(10) of the Constitution is charged upon the Consolidated Fund. Moreover the audit fee rates will reflect the local economic rate so there is no untargeted subsidy provided to those bodies that receive audit services.

In accordance with the Public Finance Ordinance 2010, money which is surplus to that required to meet the liabilities of the Special Fund may be transferred to the Consolidated Fund. Such distributions may be made in due course and for the purpose of these estimates the balance on the Special Fund is shown to be carried forward.

## APPROVAL BY PAC

Expenditures for Special Funds, as trading activities, are not required to be appropriated under the Public Finance Ordinance. However, by convention of Legislative Council the forward plans of the Saint Helena Audit Service and the associated Special Fund budget estimates are reviewed by the Public Accounts Committee.

At its meeting of 16 February 2016 the Public Accounts Committee:

- Endorsed the Strategic Audit Plan for the Saint Helena Audit Service for the period 2016/17 to 2018/19
- Approved the Audit Service Special Fund budget estimates at Appendix B to form part of the Saint Helena Government Budget Estimates for 2016/17.

With the agreement of the Chief Auditor, and consistent with the previous practice, the PAC determined in the interests of openness and transparency to lay the Strategic Audit Plan and Estimates before the March 2016 session of Legislative Council.



Phil Sharman  
Chief Auditor  
Saint Helena Audit Service

16 February 2016

# APPENDIX A SHG FINANCIAL STATEMENTS RECOVERY PLAN

SHG Financial Audit Plan 2014/15-2016/17  
 [accounts backlog clearance project]  
 SHAS updated with inputs from SHG

| Financial Statement                   | Financial Year | Opinion Deadline Date | Finance submission date |           | Audit completion date | updated schedule |         |         |         |    |    |         |    |    |         |    |    |    |    |
|---------------------------------------|----------------|-----------------------|-------------------------|-----------|-----------------------|------------------|---------|---------|---------|----|----|---------|----|----|---------|----|----|----|----|
|                                       |                |                       | Planned                 | Updated   |                       | Planned          | Updated | 2014/15 | 2015/16 |    |    | 2016/17 |    |    | 2016/17 |    |    |    |    |
|                                       |                |                       |                         |           |                       | Q3               | Q4      | Q1      | Q2      | Q3 | Q4 | Q1      | Q2 | Q3 | Q4      | Q1 | Q2 | Q3 | Q4 |
| JNCC - Danw in Project: 19-031 Marine | 2012/14        | 31-Mar-15             | 31-Dec-14               | 09-Jul-15 | 31-Mar-15             |                  |         |         |         |    |    |         |    |    |         |    |    |    |    |
| MOU - Education Sector Support P2     | 2012/13        | None                  | 27-Oct-14               | n/a       | 31-Mar-15             |                  |         |         |         |    |    |         |    |    |         |    |    |    |    |
| MOU - SHDA Implementation Phase       | 2012/13        | 31-Dec-13             | 27-Oct-14               | n/a       | 31-Mar-15             |                  |         |         |         |    |    |         |    |    |         |    |    |    |    |
| MOU - STTC 2012/14                    | 2012/13        | 31-Mar-14             | 27-Oct-14               | n/a       | 28-Feb-15             |                  |         |         |         |    |    |         |    |    |         |    |    |    |    |
| MOU - STTC 2013/14                    | 2013/14        | 31-Mar-15             | 03-Nov-14               | n/a       | 28-Feb-15             |                  |         |         |         |    |    |         |    |    |         |    |    |    |    |
| MOU - Support to ESH 2013/16          | 2013/14        | 31-Mar-15             | 03-Nov-14               | n/a       | 15-Jan-15             |                  |         |         |         |    |    |         |    |    |         |    |    |    |    |
| MOU - Tourist Development Grant       | 2012/13        | 31-Dec-13             | 27-Oct-14               | n/a       | 28-Feb-15             |                  |         |         |         |    |    |         |    |    |         |    |    |    |    |
| Saint Helena Government               | 2012/13        | None                  | 19-Dec-14               | 02-Mar-15 | 30-Sep-15             |                  |         |         |         |    |    |         |    |    |         |    |    |    |    |
| MOU - STTC 2014/15                    | 2014/15        | 31-Dec-15             | 01-Oct-15               | 02-Jun-15 | 30-Nov-15             |                  |         |         |         |    |    |         |    |    |         |    |    |    |    |
| MOU - Support to ESH 2013/16          | 2014/15        | 31-Mar-16             | 01-Oct-15               | 20-Jul-15 | 31-Mar-16             |                  |         |         |         |    |    |         |    |    |         |    |    |    |    |
| SHG DCPS                              | 2012/13        | 31-Oct-13             | 31-May-15               | 15-Jul-15 | 30-Sep-15             |                  |         |         |         |    |    |         |    |    |         |    |    |    |    |
| SHG DCPS                              | 2013/14        | 31-Oct-14             | 31-May-15               | 15-Jul-15 | 29-Jan-16             |                  |         |         |         |    |    |         |    |    |         |    |    |    |    |
| SHG DCPS                              | 2014/15        | 31-Oct-15             | 31-May-15               | 15-Jul-15 | 30-Apr-16             |                  |         |         |         |    |    |         |    |    |         |    |    |    |    |
| Saint Helena Government               | 2013/14        | None                  | 15-Jul-15               | 15-Dec-15 | 31-Jan-16             |                  |         |         |         |    |    |         |    |    |         |    |    |    |    |
| Saint Helena Government               | 2014/15        | None                  | 15-Oct-15               | 15-Mar-16 | 15-Jun-16             |                  |         |         |         |    |    |         |    |    |         |    |    |    |    |
| Saint Helena Government               | 2015/16        | None                  | 15-Jul-16               | 15-Jul-16 | 31-Dec-16             |                  |         |         |         |    |    |         |    |    |         |    |    |    |    |
| SHG Currency Fund                     | 2015/16        | 31-Mar-17             | 30-Jun-16               | 30-Jun-16 | 30-Sep-16             |                  |         |         |         |    |    |         |    |    |         |    |    |    |    |
| SHG DCPS                              | 2015/16        | 31-Oct-16             | 31-May-16               | 31-May-16 | 30-Sep-16             |                  |         |         |         |    |    |         |    |    |         |    |    |    |    |
| MOU - Support to ESH 2013/16          | 2015/16        | 31-Mar-17             | 01-Oct-16               | 01-Oct-16 | 30-Nov-16             |                  |         |         |         |    |    |         |    |    |         |    |    |    |    |
| SHG Currency Fund                     | 2013/14        | 31-Mar-15             | 19-Jan-15               | 07-Dec-15 | 30-Jun-15             |                  |         |         |         |    |    |         |    |    |         |    |    |    |    |
| SHG Currency Fund                     | 2014/15        | 31-Mar-16             | 30-Jun-15               | 07-Dec-15 | 30-Sep-15             |                  |         |         |         |    |    |         |    |    |         |    |    |    |    |
| MOU - Restoration of Bastard gumw ood | 2011/12        | 31-Dec-12             | 27-Oct-14               | 26-Feb-16 | 28-Feb-15             |                  |         |         |         |    |    |         |    |    |         |    |    |    |    |
| MOU - Restoration of Bastard gumw ood | 2012/13        | 31-Dec-13             | 27-Oct-14               | 26-Feb-16 | 28-Feb-15             |                  |         |         |         |    |    |         |    |    |         |    |    |    |    |
| MOU - Restoration of Bastard gumw ood | 2013/14        | 31-Dec-14             | 03-Nov-14               | 26-Feb-16 | 28-Feb-15             |                  |         |         |         |    |    |         |    |    |         |    |    |    |    |
| MOU - Restoration of Bastard gumw ood | 2014/15        | 31-Dec-15             | 15-Dec-15               | 26-Feb-16 | 28-Feb-16             |                  |         |         |         |    |    |         |    |    |         |    |    |    |    |

## Legend s chedule

|                             |  |
|-----------------------------|--|
| Statement completed         | Revised submission dates (SHG)           |
| Statement not yet due       | Original submission dates (SHG)          |
| Statement in progress       | Original project completion dates (SHAS) |
| Slippage in delivery of AFS | Revised project completion dates (SHA S) |



## BUDGET SUMMARY

| Subhead                          | Budget<br>2015/16<br>£ | New Draft Budget |                |                |               |
|----------------------------------|------------------------|------------------|----------------|----------------|---------------|
|                                  |                        | 2016/17<br>£     | 2017/18<br>£   | 2018/19<br>£   |               |
| <b>EMPLOYEE COSTS</b>            | <b>188,350</b>         | <b>144,100</b>   | <b>145,100</b> | <b>144,600</b> |               |
| <b>PROPERTY COSTS</b>            | <b>3,310</b>           | <b>7,700</b>     | <b>3,900</b>   | <b>4,100</b>   |               |
| <b>TRANSPORT AND PLANT</b>       | <b>250</b>             | <b>2,400</b>     | <b>500</b>     | <b>500</b>     |               |
| <b>SUPPLIES AND SERVICES</b>     | <b>3,250</b>           | <b>17,700</b>    | <b>11,700</b>  | <b>11,700</b>  |               |
| <b>ADMINISTRATION COSTS</b>      | <b>8,420</b>           | <b>9,200</b>     | <b>9,200</b>   | <b>9,200</b>   |               |
| <b>OTHER EXPENDITURE</b>         | <b>1,400</b>           | <b>9,100</b>     | <b>4,800</b>   | <b>4,800</b>   |               |
| <b>PAYMENTS TO CONTRACTORS</b>   | <b>49,200</b>          | <b>86,700</b>    | <b>4,100</b>   | <b>4,100</b>   |               |
| <b>RECHARGES PAID</b>            | <b>6,820</b>           | <b>6,600</b>     | <b>6,600</b>   | <b>6,600</b>   |               |
| <b>GROSS EXPENDITURE</b>         | <b>261,000</b>         | <b>283,500</b>   | <b>185,900</b> | <b>185,600</b> |               |
| <b>FINES &amp; FEES RECEIVED</b> | <b>98,000</b>          | <b>36,500</b>    | <b>38,800</b>  | <b>38,800</b>  |               |
| Audit Fees - External            | 98,000                 | 36,500           | 38,800         | 38,800         |               |
| <b>RECHARGES RECEIVED</b>        | <b>203,000</b>         | <b>247,100</b>   | <b>147,400</b> | <b>147,400</b> |               |
| Audit Fees - SHG                 | 203,000                | 247,100          | 147,400        | 147,400        |               |
| <b>TOTAL REVENUE</b>             | <b>301,000</b>         | <b>283,600</b>   | <b>186,200</b> | <b>186,200</b> |               |
| <b>SURPLUS/(DEFICIT)</b>         | <b>40,000</b>          | <b>100</b>       | <b>300</b>     | <b>600</b>     |               |
| Special Fund Balance             | B/F                    | <b>4,000</b>     | <b>44,000</b>  | <b>44,100</b>  | <b>44,400</b> |
| Special Fund Balance             | C/F                    | <b>44,000</b>    | <b>44,100</b>  | <b>44,400</b>  | <b>45,000</b> |