



ST. HELENA

ST HELENA PUBLIC ACCOUNTS COMMITTEE

ST HELENA AUDIT SERVICE STRATEGIC AUDIT PLAN 2017/18 – 2019/20

Laid on the table - 14 March 2017

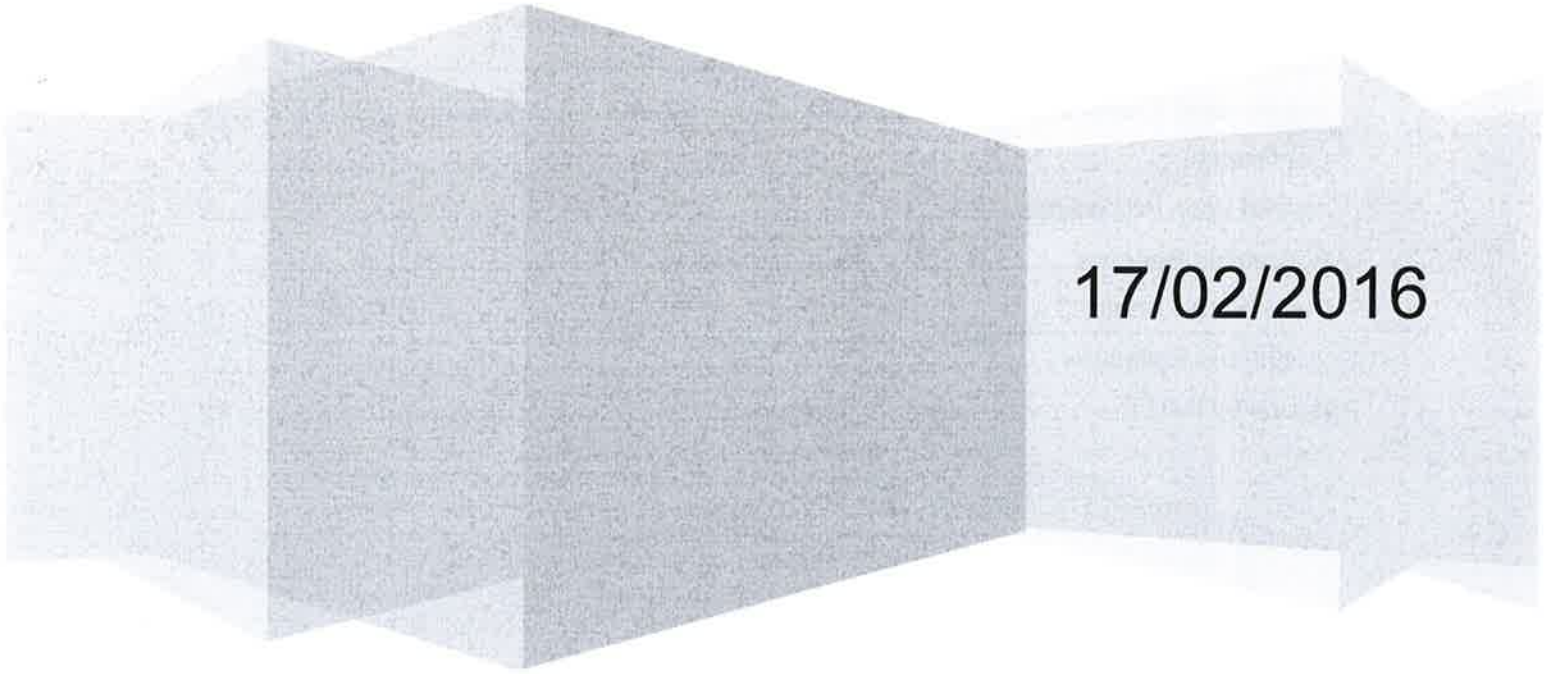
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SAINT HELENA AUDIT SERVICE
External Auditors

Strategic Audit Plan

2017/18 to 2019/20



17/02/2016

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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, 2013¹.

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 2017/18 to 2019/20, 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 2016/17 to 2018/19 laid before LegCo in March 2016 as SP 12/16.

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."²

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

¹ Legal Notice No. 11 of 2013

² 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.³

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 publication⁴. 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.

³ Public Finance Ordinance 2010 29(2)(a)

⁴ Public Finance Ordinance 2010 35

The accounting service is aimed at the smaller non-governmental bodies and can 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 two strategic plans identified a range of challenges falling upon the Office of the Chief Auditor and the key service priorities to be addressed – not least the clearance of significant arrears in the reporting of public accounts in St Helena. This section reviews those challenges and the progress made in addressing the key service priorities to date. The following section then sets out the key service priorities for the next phase of development.

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 Chief Auditor will prepare reports on the performance of public services in addition to opinion reporting on statutory financial statements.

Furthermore and consistent with the requirements of the Constitution the Chief Auditor is the adviser to the Public Accounts Committee – this role is crucial in enabling the PAC to be effective in scrutinizing the published financial statements and operational performance of government and other public bodies within St Helena. Expert capacity has to be provisioned within the Saint Helena Audit Service to assist the Chief Auditor in delivering this key function.

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.

The Financial Reporting Council has published the 2016 ISAs (UK) replacing the previous ISAs (UK & Ireland) and applicable for accounting periods commencing on or after 17 June 2016. Consistent with section 29(1) of the Public Finance Ordinance St Helena now apply the International Standards on Audit published by the International Audit and Assurance Standards Board (IAASB).

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 requires 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 an audit management system.

The development, implementation and maintenance of an ISA compliant audit methodology presents significant challenge for small audit offices and there is clear opportunity for collaboration in this area through the FCO sponsored Public Financial Oversight initiative.

MULTIPLE BODIES WITH DIFFERENT REPORTING FRAMEWORKS

The public sector divestment strategy which is required to diversify and grow the economy of St Helena has increased the external audit workload with new entities established and requiring 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.

Those smaller non-governmental reporting entities are able to maintain routine financial administration and underlying accounting records but lack the capacity and expertise to prepare the required statutory financial statements for audit and reporting to stakeholders. Accordingly we have noted delays in the preparation of statements, incidence of error, and the need to levy additional fees in these cases.

SHGs move to accruals accounting under the International Public Sector Accounting Standards (IPSAS) as required by section 10 of the Public Finance Ordinance whilst welcomed in terms of quality, consistency and comparability has attendant challenges in terms of technical complexity and workload as the standard is far more demanding on the preparer and the auditor.

The next major technical and logistical challenge is the preparation and audit of financial statements for the St Helena Government as an economic entity. This will mean the preparation of consolidated financial statements for the SHG group of entities. In doing so SHG will remove a statutory qualification of the independent auditors report which highlights that the accounts as presently published are the separate rather than consolidated financial statements of Government.

BACKLOG IN FINANCIAL REPORTING

The adoption of the new accounting frameworks with limited expertise available to prepare accounts across multiple sectors had caused a significant backlog in accounts production. This issue was recognized as a key priority and a clearance plan was agreed between the Chief Auditor and the Financial Secretary to recover the backlog in financial reporting and bring the Financial Statements of Government up to date. With a combination of outsourcing audits to a professional firm and short term technical assistance to provide capacity and capability some 4-years of public accounts were prepared and audited during an 18 month period from July 2015 through to December 2016.

The recovery plan has been a complete success and with effect the audited statutory accounts of public bodies in St Helena are complete for 2015/16 within 9-months of financial year-end. This has been a remarkable achievement and reflects well the partnership working between SHG Corporate Finance and the Saint Helena Audit Service to make this a reality. The ongoing maintenance of the normal preparation and audit timetable is a more realistic and sustainable expectation going forward.

RECRUITMENT RETENTION AND DEVELOPMENT OF STAFF

The availability of accounting and finance skills has been identified as a particular labour market shortage. Technician level accounting staff (CAT qualified) are in high demand across government and the commercial sector. Professionally qualified accountants capable of issuing financial statements as responsible preparers and reporting upon them as appointed auditors are scarce.

At the same time the demands of the new accounting and auditing standards has changed the nature of the audit work from transaction based routines to more complex procedures involving analysis evaluation interpretation and judgement. The shift from clerical to technical and professional is marked with the new standards and this necessitated a change in the configuration of the external audit team which was implemented in 2015.

Members of the Chief Auditor's staff in the Saint Helena Audit Service are employed under the same administrative rules and conditions of service as apply generally to any public officer. Market forces supplements have been used with some success to recognise qualifications and experience and therefore improve overall remuneration. However a professional cadre review for finance professionals across government remains the desired way forward with remuneration linked explicitly to qualifications and experience.

KEY DEVELOPMENT PRIORITIES

STRENGTHENING PUBLIC FINANCIAL OVERSIGHT

In response to the 2013 Joint Ministerial Council the Overseas Territories Department (OTD) of the Foreign and Commonwealth Office sponsored an initiative designed to strengthen audit and parliamentary oversight across the Overseas Territories. The next phase of this project will see the publication of Good Practice Guidance for Public Financial Oversight underpinned by a programme of technical assistance focused on implementation in three key areas:

1. Public Accounts Committees – lead partner the Commonwealth Parliamentary Association
2. External Audit – expert partner the National Audit Office
3. Internal Audit – expert partner the Government Internal Audit Agency

This OTD wide initiative is ideal for the institutional development of these oversight functions in St Helena and welcomed in terms of timing and content. The expectation is that the next phase of development of the statutory audit function will be aligned directly with this assistance programme.

PUTTING POLICY INTO PRACTICE

The development and introduction of the ISA compliant financial audit manual in 2014 marked a significant professional milestone for the Saint Helena Audit Service. However the design and implementation of a Performance Audit Manual for the delivery of value for money audits remains a significant pending requirement.

The FCO assistance project includes within scope the review of current audit methodologies and the development of a financial audit manual which is capable of application across the Overseas Territories. The need for a performance audit manual has also been flagged within the project.

To ensure operational compliance, realise the technical benefits of the new approach, and enable optimum audit efficiency further investment will be required to train the team and embed the methodologies. The roll-out phase will be aligned with the FCO assistance programme.

During the period of this strategic plan the audit office intends to implement the CaseWare audit management system as the means through which the audit methodology applied and audit work documented and reviewed.

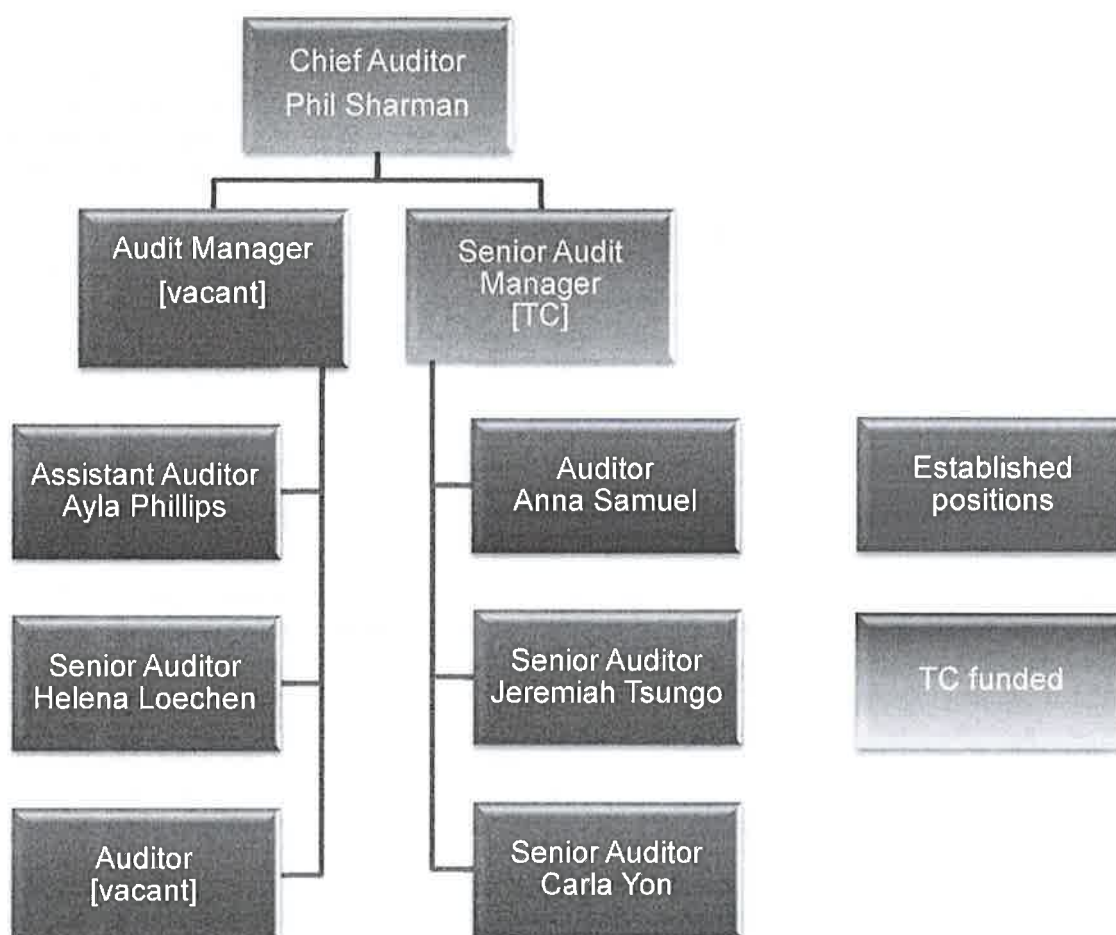
BUILDING CAPACITY AND CAPABILITY

The two previous strategic plans identified that the staff resources available to the Chief Auditor through the St Helena Audit Service would need to be rebuilt and developed to provide a professional and sustainable public audit service. Some significant progress has been made in this regard.

Improved capacity and capability was established in the team structure during 2015 within the overall headcount. Technical assistance was secured in the shape of two professionally qualified Audit Manager level positions. This change gave specific focus to the financial and performance audit priorities and reflected the increased complexity of the audit function and skills required to achieve compliance with international standards on auditing. In addition short term contract supplementation was secured to assist with the backlog clearance – this resource has now been fully released.

During the early term of this new strategic plan the technical assistance will reduce to one TC funded Senior Audit Manager who will have oversight of both financial and performance audit workflow and the other Audit Manager vacancy will be filled through internal promotion.

FIGURE 1 AUDIT SERVICE TEAM STRUCTURE 2017



The position of Senior Audit Manager will take responsibility for operational delivery of the audit plans, serve as engagement manager for the audit of Financial Statements of Government, lead the performance audit programme and assist the Chief Auditor in professional advice to the PAC. The position of Audit Manager will become a development and support role for internal succession and serve as engagement manager for the various non-government audits.

Matrix team working at Senior Auditor, Auditor and Assistant Auditor level allows flexible deployment in servicing both financial and performance work-streams. It also provides opportunity for local staff to undertake technician and professional level studies and therefore internal progression. Limited provision has also been made for contract supplementation to assist with peak workload.

Auditors are being supported in undertaking a structured training programme leading to recognised technical and professional qualifications. Local team members are currently studying Foundations in Accounting (FIA) leading to Certified Accounting Technician (CAT), for the Association of Chartered Certified Accountants (ACCA) which is qualified accountant status, and for the Certified Internal Auditor qualification from the IIA which is directly relevant to the performance audit function. The extended time periods required to study for these qualifications by distance learning are proving a practical barrier to internal succession and organisational development. Accordingly we will introduce accelerated training plans supported through a combination of distance learning on-island and accelerated classroom based studies overseas.

However to properly address the issue of recruitment, retention and remuneration a professional cadre review is required across finance, accounting and audit roles. The progression of this item slipped during 2016/17 with the focus on backlog clearance but will now become a priority for 2017/18 aligned with the pay and grading review proposed across the public service. The Chief Auditor and the Financial Secretary employ the majority of staff within this job family and will work together on this development priority.

PLANNED WORK PROGRAMME

AUDITS PERFORMED BY PROFESSIONAL FIRMS

Through the combination of existing arrangements and a collective procurement exercise undertaken in 2015 the audits of certain statutory bodies and controlled entities are undertaken by professional firms appointed by the Boards of these entities. Table 1 details these entities and their respective external auditors.

Table 1 External audits performed by professional firms

Entity	External Auditor	Notes
Enterprise St Helena	Moore Stephens	Return to SHAS for FY 2017/18
Connect St Helena Ltd	Moore Stephens	
Bank of St Helena Ltd	Moore Stephens	
Solomon & Company (St Helena) PLC	Grant Thornton	Tender underway for FY 2017/18
St Helena Line Ltd	Bishop Fleming	

Because of their scale and specialist nature the commercial company audits are expected to continue with appointed audit firms 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 for the 2017/18 financial audit onwards.

AUDITS PERFORMED BY SHAS

The Audit Service plans to conduct financial audit work in the period 2017/18 to 2019/20 as shown in the tables below. The opinion deadlines are as set out in statute, where statute sets such a deadline.

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. This will enable audit reporting of the Financial Statements of Government within 9-months of the financial year-end being 31 December and within 6-months of receipt as required under statute.

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	2017/18	2018/19	2019/20
Saint Helena Government Entity 2016/17	31-Dec-17	√		
Saint Helena Government Entity 2017/18	31-Dec-18		√	
Saint Helena Government Entity 2018/19	31-Dec-19			√
Saint Helena Government Group 2016/17	31-Mar-18	√		
Saint Helena Government Group 2017/18	31-Mar-19		√	
Saint Helena Government Group 2018/19	31-Mar-20			√
SHG Currency Fund 2016/17	30-Sep-17	√		
SHG Currency Fund 2017/18	30-Sep-18		√	
SHG Currency Fund 2018/19	30-Sep-19			√
Bulk Fuel Installation 2016/17	31-Oct-17	√		
Bulk Fuel Installation 2017/18	30-Sep-18		√	
Enterprise Saint Helena 2017/18	31-Sep-18		√	
Enterprise Saint Helena 2018/19	31-Sep-19			√

INDEPENDENT EXAMINATION

Each independent examination will include the following outputs being reported:

- Engagement Letter
- Independent Examiners Report
- Management Letter where necessary

Audit	Opinion Date	2017/18	2018/19	2019/20
South Atlantic Media Services 2015/16	30-Nov-17	√		
South Atlantic Media Services 2016/17	30-Nov-18		√	
South Atlantic Media Services 2017/18	30-Nov-19			√
Saint Helena Fisheries Corp 2016/17	30-Sep-17	√		
Saint Helena Fisheries Corp 2017/18	30-Sep-18		√	
Saint Helena Fisheries Corp 2018/19	30-Sep-19			√
Saint Helena National Trust 2016/17	30-Oct-17	√		

Audit	Opinion Date	2017/18	2018/19	2019/20
Saint Helena National Trust 2017/18	30-Oct-18		√	
Saint Helena National Trust 2018/19	30-Oct-19			√
Saint Helena Hotel Development 2016/17	30-Oct-17	√		
Saint Helena Hotel Development 2017/18	30-Oct-18		√	
Saint Helena Hotel Development 2018/19	30-Oct-19			√

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	2017/18	2018/19	2019/20
MOU – Enterprise St Helena 2016/17	31-Oct-17	√		
MOU – Enterprise St Helena 2017/18	31-Oct-18		√	
MOU – Enterprise St Helena 2018/19	31-Oct-19			√
MOU – Infrastructure 2016/17	31-Nov-17	√		
MOU – Infrastructure 2017/18	31-Nov-18		√	
MOU – Infrastructure 2018/19	31-Nov-19			√
MOU – Darwin Various Projects	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	2017/18	2018/19	2019/20
Connect St Helena Stock Check 2017	31-May-17	√		
Connect St Helena Stock Check 2018	31-May-18		√	
Connect St Helena Stock Check 2019	31-May-19			√
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.

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	2017/18	2018/19	2019/20
Saint Helena Fisheries Corp 2016/17	30-Sep-17	√		
Saint Helena Fisheries Corp 2017/18	30-Sep-18		√	
Saint Helena Fisheries Corp 2018/19	30-Sep-19			√
Saint Helena National Trust 2016/17	30-Oct-17	√		
Saint Helena National Trust 2017/18	30-Oct-18		√	
Saint Helena National Trust 2018/19	30-Oct-19			√
South Atlantic Media Services 2016/17	30-Nov-17	√		
South Atlantic Media Services 2017/18	30-Nov-18		√	
South Atlantic Media Services 2018/19	30-Nov-19			√

PERFORMANCE AUDIT

Each performance audit will include:

- Terms of Reference
- Audit Report

The scope and extent of the audit will be determined by the subject under review and the resource required to perform the assignment. In principle there will be four standard project sizes which can be used in combination to provide a range of performance audit work each year – these are summarised in the table below.

Performance Audit Sizing	Timescale [months]	Resource [days]	Fee [£]
Major	7	60	14,000
Standard	5	45	10,500
Medium	3	30	7,000
Fast	1	15	3,500

Provision has initially been made for five performance audit reviews to be completed in each operational year. The subject of the performance audits will be determined annually by the Chief Auditor after consultation with management and the PAC. The programme may be adjusted in response to any emergent issues identified in the year requiring a fast-track review.

Performance Audit Programme	2017/18	2018/19	2019/20
Major		√	√
Standard	√	√	√
Standard	√	√	√
Standard	√		
Medium	√		
Medium	√	√	√
Fast		√	√

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.

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.

	2016/17 Approved Budget £	2017/18 Draft Budget £	2018/19 Draft Budget £	2019/20 Draft Budget £
REVENUE [note 1]				
Financial Audits – SHG	194,500	89,400	79,100	81,200
Financial Audits – NGO	36,500	53,100	63,800	59,500
Performance Audits	52,600	55,600	55,700	55,700
	283,600	198,100	198,600	196,400
EXPENDITURE [note 1]				
Employee costs	144,100	114,500	114,500	114,500
External contractors [note 2]	86,700	26,000	26,000	26,000
Property costs [note 3]	7,700	8,000	8,000	8,000
Other operating costs	45,000	34,500	34,900	34,900
	283,500	183,100	183,300	183,300
OPERATING SURPLUS	100	15,000	15,300	13,100
Special Fund surplus [b/f]	57,000	57,100	72,100	87,400
Special Fund surplus [c/f]	57,100	72,100	87,400	100,500

Note 1 – expenditure and revenue estimates are significantly reduced against 2016/17 where supplementary resource was required to the backlog clearance programme

Note 2 – some continuing provision has been maintained for contract resource supplementation

Note 3 – property costs in this analysis include provision for contracted-out cleaning cost

The estimates for financial years 2017/18 to 2019/20 reflect the restoration of a normal audit work flow. The prior year comparative reflects the enlarged work load to clear through the arrears in public accounts through short term resource supplementation and associated revenues through fees and charges for the completed audits.

The estimates also allow the Chief Auditor to meet the statutory obligation to examine economy efficiency and effectiveness in accordance with section 29(2)(a) of the Public Finance Ordinance, provide high quality professional advice to the PAC and generally promote good governance and accountability in the public administration of St Helena. Consistent with prior years SHG will meet the recharged cost of this mandatory work-stream as a line item within Corporate Finance rather than seeking to recover the costs from the individual areas subject to review.

Financial planning and budget guidelines estimates no-longer include the local equivalent salary for those established positions provided through Technical Cooperation. In accordance with section 110(10) of the Constitution the Chief Auditor is charged upon the Consolidated Fund. The audit fees continue to 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, any 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

Estimates of revenue and expenditure 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 15 February 2017 the Public Accounts Committee resolved to:

- Endorse the Strategic Audit Plan for the Saint Helena Audit Service for the period 2017/18 to 2019/20
- Approve the Audit Service Special Fund budget estimates at Appendix A to form part of the Saint Helena Government Budget Estimates for 2017/18.

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 2017 session of Legislative Council.



Phil Sharman
Chief Auditor
Saint Helena Audit Service

17 February 2017

BUDGET SUMMARY

Subhead	Approved	Proposed			
	2016/17	2017/18	2018/19	2019/20	
	£	£	£	£	
EMPLOYEE COSTS	144,100	114,500	114,500	114,500	
PROPERTY COSTS	7,700	6,400	6,600	6,600	
TRANSPORT AND PLANT	2,400	200	200	200	
SUPPLIES AND SERVICES	17,700	12,000	12,000	12,000	
ADMINISTRATION COSTS	9,200	9,500	9,500	9,500	
OTHER EXPENDITURE	9,100	8,000	8,000	8,000	
PAYMENTS TO CONTRACTORS	86,700	27,600	27,600	27,600	
RECHARGES PAID	6,600	4,900	4,900	4,900	
GROSS EXPENDITURE	283,500	183,100	183,300	183,300	
FINES & FEES RECEIVED	36,500	53,100	63,800	59,500	
Audit Fees - External	36,500	53,100	63,800	59,500	
RECHARGES RECEIVED	247,100	145,000	134,800	136,900	
Audit Fees - SHG	247,100	145,000	134,800	136,900	
TOTAL REVENUE	283,600	198,100	198,600	196,400	
SURPLUS/(DEFICIT)	100	15,000	15,300	13,100	
Special Fund Balance	B/F	57,000	57,100	72,100	87,400
Special Fund Balance	C/F	57,100	72,100	87,401	100,500

