



ST. HELENA

ST HELENA GOVERNMENT

UPDATE TO ST HELENA GOVERNMENT
RESPONSE TO RECOMMENDATIONS FOLLOWING
THE ADOPTION OF THE PUBLIC ACCOUNTS
COMMITTEE REPORTS LAID BEFORE
LEGISLATIVE COUNCIL ON 9 DECEMBER 2016

Laid Upon the Table, 30th March 2017

ST HELENA GOVERNMENT RESPONSE TO RECOMMENDATIONS FOLLOWING THE ADOPTION OF THE PUBLIC ACCOUNTS COMMITTEE REPORTS

THIS RESPONSE PROVIDES AN UPDATE TO THE RESPONSE WHICH WAS LAID AT LEGISLATIVE COUNCIL 09/12/2016 FOR REVIEW BY THE PUBLIC ACCOUNTS COMMITTEE

In accordance with Section 69 (9) of the Constitution of St. Helena –

(9) 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.

Open Register as at 15/11/2016

| No | Date Reported to LEGCO | Body | Recommendation | Responsibility | Response | Transfer To Closed Recommendations |
|----|------------------------|----------------------|---|--|---|------------------------------------|
| | 18/07/2016 | Enterprise St Helena | ESH must report on outputs and outcomes in the annual report and uphold their commitment to do in future financial statements. | Chief Executive for Economic Development | The ESH DFID project log frame includes outputs, outcomes as well as overall impact and a detailed report is provided annually to DFID as part of the ESH Annual Review. A summary of this report is included in the ESH Annual Report. | [Yes] |
| | 18/07/2016 | 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 | [No] |

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| | | | | | meaningful indicators as SHG is now addressing this issue | |
| | 18/07/2016 | Enterprise St Helena | ESH report on attainment of objectives should be made available to the public and consideration must be given to citizens who do not have access to the internet/computers. | Chief Executive for Economic Development | The ESH Annual Report is available on the ESH website and additionally hard copies are available in the ESH and Tourist Offices. | [Yes] |
| | 18/07/2016 | Enterprise St Helena | ESH in dealing with public concerns about the procurement process should consider introducing an independent hotline so that the public can report instances of suspected fraud/corruption and they should make public the findings of any investigations for transparency. | Chief Executive for Economic Development | ESH has revised its procurement policy and process in line with standard practice and includes an appeal process. This area of work is overseen by our new Finance, Governance & Audit Committee. Any suspected fraud/corruption should be reported to the police. | [Yes] |
| | 18/07/2016 | Enterprise St Helena | ESH should consider re-adopting the incubator unit concept so as to foster development of start-up businesses. | Chief Executive for Economic Development | This was withdrawn by SHDA when the additional units in HTH and New Ground were built. Board decided at the time that these should no longer simply be "incubator" units; noting the lack of suitable commercial floor space. If ESH were to insist on people moving on after a set number of years (originally it was 3 years max in a unit) we could well be putting supported entities out of business. | [Yes] |
| | 18/07/2016 | Enterprise St Helena | ESH should disclose total salaries or if included in a subtotal should be noted in their accounts disclosing total salary. | Chief Executive for Economic Development | Total salaries are now disclosed as a note in the latest Financial Statements (31/3/2016) | [Yes] |
| | 18/07/2016 | Enterprise St Helena | ESH should start developing longer term strategies rather than the current short term 3 years, probably 10 to 15 year plans. | Chief Executive for Economic Development | ESH strategies are linked to funding and traditionally this has been in three year tranches (confirmed annually) which makes longer term strategy difficult. ESH has recently developed a 5 year strategy which takes into account the SHG 10 year plan as well as building on previous work and projected DFID project funding. | [Yes] |
| | 18/07/2016 | St Helena | SHG should document how it intends to manage the capital | Directors | SHG will document this in due course. | [No] |

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| | | Hotel Development Ltd | risk associated with the public investment in the hotel venture through SHHDL. | | | |
| | 18/07/2016 | St Helena Hotel Development Ltd | SHG develop a time bound exit strategy for disposal of the public investment in SHHDL. | Directors | This will be developed in due course. | [No] |
| | 18/07/2016 | St Helena Fisheries Corporation | SHFC differentiates between local and export markets and introduces local and export tariffs which would benefit fisherman and keep cost down in the local market. | General Manager & Management Board | It is virtually impossible to differentiate between the local and export markets unless there is a huge subsidy in place. The factory needs at least 500-tonnes of raw material in order to bring the production unit cost down to a possible break-even situation; so far we have not been able to achieve this volume of fish purchases. Bearing the above mind, the export trade market prices are virtually set by the buyers for the major canneries and there is very little room for price movements – what is helping the corporation at the moment is the exchange value of the Euro against the British Pound as the European buyers' deals in Euros. | [Yes] |
| | 18/07/2016 | St Helena Fisheries Corporation | SHFC prioritise the lifting of the MFV Extractor so that the proceeds of the SHFC shares can be realised. | General Manager & Management Board | The correct lifting gear in place and once the MFV Extractor returns from its current mission (fish tagging and policing of our EFZ), a date will be fixed to lift the vessel before the financial year end. | [No] |
| | 18/07/2016 | Bank of Saint Helena Ltd | BOSH communicate the new initiatives with regards to the introduction of plastic money to the island to make the public aware. | Managing Director | The Pilot Program of the Local Debit Card was scheduled to roll-out in November 2016. However the upgrade of the Bank's systems caused some programming issues, these issues are now in hand, and the Bank has commenced testing the local debit card | [No] |

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| | | | | | in-house with a scheduled date for the Pilot at the beginning of April 2017. During this interruptive phase participants in the program were kept informed of developments throughout. Marketing will commence shortly once the Bank is happy with the in-house testing. | |
| | 18/07/2016 | Bank of Saint Helena Ltd | BOSH increase its publicity of the lending initiatives to the public and business so that more people are aware of these opportunities | Managing Director | The marketing of the Bank's Lending services is on-going through several mediums including the Bank's Website, the Media and its Window Displays. It is currently seeking joint ways with ESH to assist with this promotion. | [No] |
| | 18/07/2016 | 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. | St Helena Government | This will be considered by SHG in due course. | [No] |