



**St Helena
Government**

ST HELENA GOVERNMENT

**CORPORATE GOVERNANCE OF THE ST HELENA
GOVERNMENT GROUP ENTITIES
MANAGEMENT RESPONSE AND ACTION PLAN**

Laid on the table 23rd March 2018



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Corporate Governance of the St Helena Government Group Entities

Management Response and Action Plan

February 2018

MANAGEMENT ACTION PLAN

This Annex summarises the official management response to recommendations raised in the performance audit report including an action plan detailing time scale and the officer responsible for implementation.

No	Recommendation	Priority	Management Response	Timescale	Responsible Officer
1	Legislation should be amended to ensure that all SCEs' audited Annual Financial Statements, Management Letters and any other accompanying reports be laid in LegCo so that they are scrutinised by the PAC rather than brought to PAC attention by the Chief Auditor as a matter of importance.	Medium	This will be considered by the AG in consultation with Legislative Council and will be prioritised in line with other priorities of the Council	From 1/4/18	Attorney General
2	Legislation or otherwise terms of reference should be amended to ensure that Council Committees are able to exercise their oversight over the service delivery performance of SCEs by reviewing the non-financial information contained in the Annual Reports of SCEs.	Medium	This will be considered by Legislative Council and will be prioritised in line with the priorities of the Council	From 1/4/18	Attorney General
3	SHG should develop and implement legislation that will enable the establishment of regulatory authorities in those service sectors where it has an interest through its SCE so as to achieve its regulatory objectives.	Medium	This will be considered by Legislative Council and will be prioritised in line with the priorities of the Council	From 1/4/18	Attorney General
4	SHG should exercise its ownership rights and they should be clearly identified within its administration. SHG's exercise of ownership rights should be centralised in a single ownership entity, or, if this is not possible, carried out by a co-ordinating body. SHG's "ownership entity" should have the capacity and competencies to effectively carry out its duties.	Medium	A bid is to be made to DFID for additional funding to establish a unit in Corporate Finance with the responsibility for managing this policy area. There is no resource in current headcount to undertake this work	From 1/4/18	Financial Secretary
5	SHG should develop an ownership policy. The policy should define the overall rationales for state ownership, the state's role in the governance of SCEs, how SHG will implement its ownership policy, and the respective roles and responsibilities of the entity involved in its implementation.	Medium	As above (4). Agreed subject to the provision of resources	From 1/4/18	Financial Secretary
6	SHG should develop a system of corporate governance whereby SCEs objectives are properly aligned with Government policy as determined by ExCo on advice of the relevant member and Council Committee. The system should include a formal performance agreement between the SCE and Government in the form of a	Medium	As above (4). Agreed subject to the provision of resources	From 1/4/18	Financial Secretary

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7	Statement of Intent (SOI) or Memorandum of Understanding (MOU). SHG must ensure that the Annual General Meetings for the 2014/15 and 2015/16 financial years for the St Helena Line be held as a matter of urgency.	High	Agreed	From 1/4/18	Financial Secretary
8	SHG must update its agreement with the Crown Agents on the services provided, and updating the Director to be nominated as well as the fees for the member.	High	Agreed		HE The Governor
9	SHG should develop and implement a board nomination processes for SCEs so as achieve well-structured, merit-based and transparent boards, and ensure that SHG interest is represented through making direct appointment to each SCE board either as Chairman or Director as appropriate.	Medium	Policy to be developed	From 1/4/18	Asst Chief Secretary (Support)
10	SHG should develop and implement a process of setting and monitoring of broad mandates and objectives for SCEs, including the financial targets, capital structure objectives and risk tolerance levels.	Medium	As above (4). Agreed subject to the provision of resources	From 1/4/18	Financial Secretary
11	SHG should develop and implement reporting systems that allow SHG to regularly monitor, audit and assess SCE performance, and oversee and monitor their compliance with applicable corporate governance codes.	Medium	As above (4). Agreed subject to the provision of resources	From 1/4/18	Financial Secretary
12	SHG should develop a disclosure policy for SCEs that identifies what information should be publicly disclosed, the appropriate channels for disclosure, and mechanisms for ensuring quality of information.	Medium	As above (4). Agreed subject to the provision of resources	From 1/4/18	Financial Secretary
13	SHG should develop remuneration policy guidelines for SCE boards that fosters the long- and medium-term interest of the entity and can attract and motivate qualified professionals.	Medium	As above (4). Agreed subject to the provision of resources	From 1/4/18	Financial Secretary
14	SHG should set clear policy on the attendance and remuneration of public officers serving on public boards in an ex-officio capacity and that any directors' fees should accrue to the revenues of St Helena Government.	Medium	Agreed.	From 1/4/18	Asst Chief Secretary (Support)
15	SHG should establish a role of Government Director who would sit on each SCE board to provide strategic oversight and financial leadership on behalf of SHG.	Medium	As above (4). Agreed subject to the provision of resources	From 1/4/18	Financial Secretary
16	SHG as parent should develop and implement a protocol/ code/	Medium	As above (4). Agreed subject to the	From	Financial

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	<p>framework of governance in the public sector based upon the CIPFA/IFAC framework of Good Governance in the public sector that takes into consideration the different sizes of entities that can be found on the island eg. Corporates, Statutory bodies, etc. The developed framework/ protocol /code must address issues identified in the "Principles for good governance in the public sector" section of this report as well as the following issues to improve oversight:</p> <ul style="list-style-type: none"> • Directors: Nomination, Appointment, Induction, Training, Support, and Performance evaluation. • Governing Body: Makeup, Structure, Board committees, Terms of references, Number of meetings, Performance evaluation etc. • Audit Committee: Makeup, Terms of reference etc. • Risk Management: Policy documents developed and implemented. • Chief Executive Officer responsibilities and Independence of the Chair of the Board. • Succession Planning: Board and Senior Management level. • Strategic Planning, Monitoring and Evaluation of SCE key performance indicators. • Annual Governance Statement: Annual Issuance. 		provision of resources	1/4/18	Secretary

DEFINITION OF PRIORITIES

HIGH Immediate risk of error, loss of cash or other assets or significant non-compliance with relevant Ordinances or regulations. Action should be taken on these within 2 months.

MEDIUM Issues identified which would improve the quality of governance, financial reporting and/or internal control systems. Action should be taken on these within 6 months, or by the end of the next financial reporting period, whichever is the earliest.

