

# St Helena Public Accounts Committee

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## Report to Legislative Council on the Formal Session of the Public Accounts Committee held on the 29<sup>th</sup> of August 2018

### 1. Introduction

In accordance with section 69 (6) of the Constitution of St Helena the Public Accounts Committee (PAC) hereby reports to Legislative Council on the Formal Session of the Committee, held on the 29<sup>th</sup> of August 2018.

Membership of the Committee comprises:

Chairman:	Mr Cyril (Ferdie) Gunnell
Vice Chairman:	Mr Mark Yon
Members:	Hon Dr Corinda Essex
	Hon Clint Beard
	Hon Brian Isaac

PAC is advised professionally by the Chief Auditor, Mr Phil Sharman.

A transcript of these proceedings can be found on the SHG website and in the public library.

## **2. Order Paper – Third Session 2018**

### **29<sup>th</sup> of August 2018**

- I.** Chairman's Address
- II.** Corporate Governance of SHG Group Entities Performance Audit Report
- III.** St Helena Currency Fund 2016/17 Audited Annual Financial Statements
- IV.** St Helena Bulk Fuel Installation 2016/17 Audited Annual Financial Statements
- V.** St Helena National Trust 2016/17 Audited Annual Financial Statements
- VI.** St Helena Fisheries Corporation 2016/17 Audited Annual Financial Statements

## I. Chairman's Address

The Chairman opened the meeting and welcomed all in attendance and those listening over the radio, thanking them for their interest in the work of the Public Accounts Committee. Thanks were also extended to South Atlantic Media Services (SAMS) for broadcasting the formal hearing.

For the benefit of first time listeners, the Chairman explained that PAC is established by section 69 of the Constitution and operates under Standing Order 23 of Legislative Council and its primary function is to objectively scrutinise the Government's stewardship of the public purse. He added that PAC is protected to act independently and is not subject to the direction or control of the Governor, the Executive Council, or any other body or authority. It has power to call any person to give evidence orally and reports its findings to Legislative Council. Through these statutory provisions the scrutiny role of PAC serves as a mainstay of good governance, holding Government and other public bodies to account.

He highlighted the composition of the Committee for this session with the following five permanent members:

Chairman	Mr Cyril Gunnell
Vice Chairman	Mr Mark Yon
Member	Hon Dr Corinda Essex
Member	Hon Brian Isaac
Member	Hon Clint Beard

However to ensure the Committee operated independently and free from any bias or conflict of interest, arrangements had been made for temporary members to cover for members conflicted by the item of business under scrutiny. For this purpose the following alternate members were invited to serve on the Committee at specific points in the proceedings:

- Temporary independent member, Mr Wilson Duncan covering for the Vice Chairman, Mr Mark Yon, on the Governance of SHG Group Entities
- Temporary independent member, Mr Cyril George covering for the Vice Chairman, Mr Mark Yon, on the St Helena National Trust Accounts

The public were advised the Chief Auditor, Phil Sharman is the PAC advisor working closely with the Head of Audit Services, Mr Anesu Happyman Makamure and with Committee support through the Clerk, Miss Anita Legg.

The Chair explained this was the third formal session of the Public Accounts Committee for 2018 and following the second formal session held in May, PAC would resume the scrutiny of the 2016/17 audited accounts together with the Chief Auditor's performance report on the Governance of the SHG Group Entities.

He also explained the Committee had decided to defer its detailed consideration of the controlling interest in Solomon & Company (SH) PLC, which had been scheduled for Tuesday 28<sup>th</sup> August, to a later date.

On 29<sup>th</sup> August session PAC examined the following accounts for 2016/17 together with the Governance Report:

- Corporate Governance of SHG Group Entities Performance Audit Report
- St Helena Currency Fund
- St Helena Bulk Fuel Installation
- St Helena National Trust
- St Helena Fisheries Corporation

## **II. Corporate Governance of SHG Group Entities Performance Audit Report**

The following persons attended to answer questions in respect of SHG:

- Chief Secretary – Mrs Susan O’Bey
- Financial Secretary – Mr Dax Richards

The Chief Auditor’s Report on the Governance of the St Helena Group Entities is a performance audit report conducted under section 29(2) of the Public Finance Ordinance.

The Audit report was laid as Sessional Paper 14/18 at the 23<sup>rd</sup> March 2018 meeting of Legislative Council and referred to PAC under section 69(6) of the Constitution and Standing Order 23.

PAC enquired on the following issues from SHG management:

- The current arrangements by which SHG directs and controls the various group entities;
- How the piecemeal and different arrangements became established over time;
- PAC was interested in whether SHG agreed with the findings of the Chief Auditor and that improvements in the governance of state owned entities are required;
- How SHG presently ensures the group entities are aligned with the strategic objectives set out in the 10 Year Plan for the Island;
- How performance expectations are communicated to the Boards of group entities;
- The type of mechanisms for the group entities to formally report their performance back to SHG;
- Whether there was an oversight body to look at SHG group entities;
- The timing for the review of Connect Saint Helena Ltd to take place and whether the TORs been drafted;
- The mechanisms for Board appointments to SHG controlled entities and the remuneration policy and processes;
- The expected timeline for SHG to develop and implement mandatory code/principles of good governance to all State Controlled Entities and whether it needed internal resources;
- Management in their response to the recommendations made by the Chief Auditor in his report had highlighted issues regarding resource constraints to implement these recommendations and PAC enquired as to what kind

of human resources were required, which directorates would require them, to ensure that the recommendations are implemented and had funds been requested for these resources during the last budget aid mission;

- PAC also enquired if TORs had been developed for the appointment of a Finance Director to SHG controlled entities;
- The types of legislative changes that were required to conform with governance best practice, as stipulated in the Governance report, whether the Legislative Programme had been updated to accommodate these issues and the timelines for this to be dealt with by the necessary committees;
- PAC requested clarification on the completion timelines of implementing the recommendations in the Chief Auditor's report, as the response provided by SHG was not clear.

PAC received explanations and assurances for the above mentioned enquiries from SHG management and these have been recorded in the 29<sup>th</sup> August 2018 Transcript that can be found on SHG's website (<http://www.sainthelena.gov.sh/public-accounts-committee/>).

Based on the responses provided by management the below main conclusions are drawn and recommendations proposed after PAC deliberations.

### **Main conclusions**

- PAC heard that the current arrangements for the governance of the SHG group entities varied entity by entity, were not coherent and clearly required revision.
- At present there was no oversight body and no line of accountability between Government and the Chair of the various Boards.
- There was also an absence of any structured performance agreement or formal reporting arrangements albeit Service Level Agreements are now being established, with a requirement for quarterly reporting, where SHG provides financial support.
- The Chief Secretary confirmed that Government had accepted, in entirety, the findings of the Chief Auditor and were intent on addressing the audit recommendations. PAC were however concerned that the current timelines are open ended and resource dependent.
- Since these improvements will require expert and dedicated resource, a key priority was identified as the recruitment of a Finance Business Manager to serve as Corporate Finance Director on the Board of each entity and to develop a time bound plan to take forward the recommendations.

- PAC were concerned that the Finance Business Manager title and proposed non-executive role lacked impact and was clear that an Executive Finance Director role was required to provide necessary financial leadership and performance management drive across the SHG group entities.
- The Chief Secretary gave a commitment to provide an update for the PAC with more definition on the implementation plan by March 2019.

### **Recommendations**

In relation to its scrutiny of the Corporate Governance of SHG Group Entities Performance Audit Report, **PAC recommends that:**

1. The TORs for the Finance Business Manager should be amended to require the appointee to perform the role of Board level Executive Finance Director for each of the SHG Group Entities.
2. Formal performance agreements should be established for each entity and more urgently for those where SHG provides funding.
3. SHG should consult on the composition and mandate of an oversight body to be established for the group entities. The oversight body should have a clear line of accountability to Executive Council through the Chair, and include political representation, independent appointees, and relevant officials.
4. The Chief Secretary provide a progress update to PAC by March 2019 to include a time bound action plan for addressing the recommendations in the Chief Auditors report.

### **III. St Helena Currency Fund 2016/17 Audited Annual Financial Statements & Management Letter**

The following persons attended to answer questions in respect of the Currency Fund:

- Commissioner of Currency (Chairperson): Chief Secretary – Mrs Susan O’Bey
- Commissioner of Currency: Financial Secretary – Mr Dax Richards
- Commissioner of Currency: Deputy Financial Secretary – Mr Nicholas Yon

The St Helena Currency Fund accounts for 2016/17 were audited by the St Helena Audit Service and laid before Legislative Council on the 8<sup>th</sup> June 2018, as Sessional Paper 25/2018 with an accompanying Audit Management Letter as Sessional Paper 26/2018 and referred to PAC under section 69(6) of the Constitution and Standing Order 23.

PAC enquired on the following issues from the Commissioners of Currency:

- The Chief Auditor recommended a revision to the Currency Fund Ordinance regarding the treatment of a deficit arising and PAC were interested in how that recommendation was being taken forward by the Commissioners;
- PAC were also interested in the treatment of a deficit if the Currency Fund makes a deficit in its Income Statement;
- The status of the review that was intended to be performed to determine the case for either retaining the St Helena Pound or moving to Pounds Sterling;
- PAC noted the material adjustments passed to the financial statements and enquired what action was being taken by the Commissioners to better manage the movements on the Currency Fund and ensure that material adjustments do not re-occur in future years;
- The latest known position between SHG and the Currency Fund and how this indebtedness is being better managed between the two entities since the matter was first raised by PAC;
- An update on previous recommendations:  
No 73, laid on 7/18/2016 – Commissioners assess the different options regarding the issuing of commemorative coins, and specifically whether these should be deemed as legal tender and  
No 125 laid on 01/05/2017 – 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.

PAC received explanations and assurances for the above mentioned enquiries from the Commissioners of Currency and these have been recorded in the 29<sup>th</sup> of August 2018 Transcript that can be found on SHG's website (<http://www.sainthelena.gov.sh/public-accounts-committee>).

The Commissioners of Currency committed to provide written responses for the following matters that they could not provide responses to the PAC:

- Information on the latest known position between SHG and the Currency Fund, based on the draft 2017/18 financial statements.

Based on the responses provided by the Commissioners, the below main conclusions are drawn and recommendations proposed after PAC deliberations.

### **Main conclusions**

- PAC enquired on the material adjustments made before the finalisation of the Currency Fund Financial statements. The main matter being the reversal of an adjustment for £500k authorised in August 2017 but applied retrospectively to the 2016/17 accounts. The Committee was concerned about the ethics of such transactions designed to improve the reported year-end position on SHG.
- PAC also discussed the status of the review that was intended to be performed to determine the case for either retaining the St Helena Pound or moving to Pounds Sterling. PAC stated they would like to see SHG complete the report on this matter and make it available for scrutiny by the PAC.

### **Recommendations**

In relation to its scrutiny of the St Helena Currency Fund financial statements for the year ended 31 March 2017, **PAC recommends that:**

1. Priority is given in the forward Legislative programme to revising the Currency Fund Ordinance regarding the treatment of a deficit arising as recommended by the Chief Auditor.
2. Through SHG influence on the BOSH Board the Bank should be encouraged to implement the international prepaid card as soon as possible.

3. PAC underlines recommendation No 125 made in May 2017 that SHG continuously manages its ex-officio roles and responsibilities of the 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.

4. PAC underlines recommendation 126 that the review on the St Helena Pound versus the Sterling Pound be completed and findings published as a priority.

#### **IV. Bulk Fuel Installation (BFI) 2016/17 Audited Annual Financial Statements**

The following persons attended to answer questions in respect of the BFI:

- Financial Secretary – Mr Dax Richards
- Deputy Financial Secretary – Mr Nicholas Yon
- Solomon & Company General Manager (Agencies) – Mr Jason Thomas

The BFI accounts are audited by the St Helena Audit Service and are referred to PAC by the Chief Auditor as a matter of importance under Standing Order 23(2). Even before the new BFI is commissioned the numbers are significant with fuel sales of over £4.9m and net assets of £3.1m.

PAC enquired on the following issues from SHG and Solomon's management:

- The nature of the SHG obligations in terms of decommissioning, dismantling and disposal, and site restoration for the current BFI facility, whether the decommissioning costs had been determined, who is responsible for this, and whether these have been budgeted for;
- The development and implementation of risk management for the transition and decommissioning phase of the BFI;
- Staff arrangements;
- The commissioning date for the new BFI and decommissioning of the old; the build cost to date and completion date for the new BFI;
- The Asset Replacement Fund;
- The main reason for the increase in turnover from the prior year by 17%;
- The current procedure for pricing fuel;
- The follow up response from the Financial Secretary on previous recommendation No 123;
- PAC was interested in what would happen to the demand for bulk fuel when the renewable energy initiatives come on stream.

PAC received explanations and assurances for the above mentioned enquiries from SHG and Solomons management and these have been recorded in the 29<sup>th</sup> August 2018 transcript that can be found SHG's website (<http://www.sainthelena.gov.sh/public-accounts-committee/>).

In addition to the verbal evidence SHG management committed to provide written responses for the following matters where they could not provide responses to the PAC:

- Furnish the PAC with the most up to date risk register
- Provide the current balance on the BFI asset replacement fund, based on the draft accounts
- Provide the price differences for bulk purchases and retail purchases
- Provide the cost of a fuel wholesale licence

Based on the responses provided by management the below main conclusions are drawn and recommendations proposed after PAC deliberations.

### Main conclusions

- PAC noted with great concern the ongoing issues concerning the construction and commissioning of the new BFI:
  - (i) The new installation has been significantly delayed and whilst nearing completion, with around £2m of further cost remaining, contractor continuity has adversely impacted the commissioning;
  - (ii) The capital cost for the new BFI is very high, costing £55m plus £20m in apportionment of enablement costs associated with the airport infrastructure project;
  - (iii) The scale of the BFI would appear to be significantly in excess of demand with 8 large storage tanks for petrol, diesel and aviation fuel.
- PAC were also surprised to learn the decommissioning of the old BFI was not included in the DBO contract and that DFID had to be approached for assistance to complete this project, which would be unlikely to happen before the 2019/20 financial year.
- PAC noted that with the drive towards renewable energy there will be reduced demand for bulk supply of diesel to Connect Saint Helena Ltd as they are the biggest fuel consumer on the island. PAC questioned whether the demand for aviation fuel will be sufficient to offset reduced demand for diesel and make the BFI economically viable.
- PAC noted that with regards to fuel pricing, percentage margin or mark-up is applied by the Manager (Solomons) on the wholesale price, to arrive at the retail price at the fuel service stations. Management also explained how the wholesale fuel is priced by SHG with a specified mark-up/margin then applied by the retailer.

### Recommendations

In relation to its scrutiny of the Bulk Fuel Installation financial statements for the year ended 31 March 2017, **PAC recommends that:**

1. SHG institute an economic analysis study on how the capital and running costs will be reflected in the fuel pricing and how the transition to renewable energy will impact the fuel pricing model.
2. SHG explore the opportunity for making optimal use of the storage capacity to maximise the benefits of the public investment in the Bulk Fuel Installation.

## **v. St Helena National Trust (SHNT) 2015/16 & 2016/17 Audited Annual Financial Statements**

The following persons attended to answer questions in respect of the SHNT:

- President – Mrs Ethel Yon, OBE
- Director – Mr Jeremy Harris
- Treasurer – Mrs Connie Johnson
- Head of HR & Finance – Mrs Amanda Fowler
- Office Administrator – Ms Amanda Constantine

The St Helena National Trust accounts for 2015/16 and 2016/17 were audited by the Chief Auditor in quick succession. The Trust is obliged to bring the audited accounts and annual reports before Legislative Council under sections 15(5) and 18(2) of the Ordinance and were laid before Legislative Council as Sessional Papers 32/17 and 1/18.

PAC enquired on the following issues from SHNT management:

- In the year 2016/17 payments exceeded receipts by some £67k reducing the cash balance from £141k at March 2016 to £73k at March 2017. PAC enquired on the financial situation of the Trust and what had changed during 2016/17;
- Any efficiency measures that were being considered to control expenditures within the limits of available revenues;
- The reason for increase in staff cost from £180k (2015/16) to £226k (2016/17) which represents a 25% increase on a year on year basis;
- The number of SHNT employees;
- The reason for increase in travel and subsistence costs from £12k (2015/16) to £24k (2016/17);
- The reason for increased capital expenditure during 2016/17 increasing from £4k (2015/16) to £49k (2016/17), also for the amount of £13k shown as rental income;
- The properties owned by SHNT and the long term intended use;
- The external grant funding to SHNT;
- The arrangements of the LEMP operations transferred from SHG;
- The SHNT accounting framework and their view on moving towards an accruals based accounting framework;
- The composition of the Trust Council;
- The progress with previous PAC recommendations.

PAC received explanations and assurances for the above mentioned enquiries from the SHNT management and these have been recorded in the 29<sup>th</sup> August 2018 transcript that can be found SHG's website (<http://www.sainthelena.gov.sh/public-accounts-committee/>).

Based on the responses provided by SHNT management the below main conclusions are drawn and recommendations proposed after PAC deliberations.

### **Main conclusions**

- PAC noted a significant reduction in the cash balance from the prior year, which was explained by the acquisition of a stone cottage and a Landrover to deliver core projects. The stone cottage was purchased so as to generate revenue and was approved by the Council. Renovations on the stone cottage are being done as funds become available.
- PAC discussed the increase in staffing costs by the introduction of positions such as Head of Finance & HR, Head of Conservation and Head of Operations. PAC noted that the National Trust has in total 38 employees, of which approximately 5 are on a contract basis.
- PAC noted the LEMP operations have been transferred to the National Trust, 11 full time employees including the Project Manager moved across from SHG Air Access Project.
- PAC also noted that the Trust has been able to secure funding for the 2018/19 year from a range of international donors, including the Blue Marine Foundation and SHG funding. RSPB funding is for another 3 years until 2021 but the outcome of continued DEFRA funding through Darwin Plus is awaited.

### **Recommendations**

In relation to its scrutiny of the St Helena National Trust financial statements for the years ended 31 March 2017, **PAC recommends that:**

1. SHNT should continue to engage with SHG to progress the four outstanding PAC recommendations from prior periods No. 31, 33, 60 and 61 refers.

## **VI. St Helena Fisheries Corporation (SHFC) 2016/17 Audited Annual Financial Statements**

The following persons attended to answer questions in respect of the SHFC:

- Former Chairman – Mr Lawson Henry
- Current Chairperson – Ms Christine Scipio
- General Manager – Mrs Elizabeth Clingham
- Finance Manager – Mr Graeme Beckett
- Deputy Financial Secretary – Mr Nicholas Yon

The St Helena Fisheries Corporation accounts for 2016/17 were approved by the Board, audited by the Chief Auditor and in accordance with the requirements of section 15(2) laid before Legislative Council on the 25<sup>th</sup> of January 2018 as Sessional Paper 2/18. The accounts were referred to PAC under section 69(6) (b) of the St Helena Constitution.

PAC enquired on the following issues from SHFC management:

- The nature of the qualification raised by the Chief Auditor in his auditors report;
- The actions that SHFC had taken to ensure that the audit qualifications in the audit report, by the Chief Auditor have been resolved and what the timeline was for achieving these improvements;
- The Audit raised a range of control issues in different sections of the Corporation's business. PAC requested the management of SHFC to summarise these control issues and how they would be resolved going forward;
- Managing the cost of power by the Corporation and the guarantee linked to Connect Saint Helena Ltd;
- The main efficiencies that the Corporation intends to implement to reduce running costs;
- The volume of fish required to be sold to cover the current operating costs and achieve a break-even position and the main options that SHFC has considered to increase the throughput volume;
- The Going Concern of SHFC as an entity;
- The main reasons for the high turnover of staff and Board members;
- Whether the SHFC have a risk register that is up to date and continuously updated, to ensure the objectives of the Corporation are on track to be achieved;
- Whether the Fisheries Ordinance is fit for purpose for the Corporation and what changes are required to the law to improve the situation;



- An update on previous PAC recommendation No 116: PAC notes with concern, the high freight charges for moving fish for export and encourages SHFC and AWSML to consider negotiating an export rate to encourage sustainable business.

PAC received explanations and assurances for the above mentioned enquiries from the SHFC management and these have been recorded in the 29<sup>th</sup> August 2018 transcript that can be found SHG's website (<http://www.sainthelena.gov.sh/public-accounts-committee/>).

Based on the responses provided by SHFC management the below main conclusions are drawn and recommendations proposed after PAC deliberations.

### Main conclusions

- PAC noted the increase in freight charges that has led to the price for a 20 foot reefer container from St Helena to Spain rising from £3,900 to £5,100 which is impacting the export of frozen fish. SHFC should reopen negotiations with AWSML to improve export freight rates.
- PAC remains concerned with the going concern qualification and its likely effect on the Corporation's ability to attract investors. To deal with the issue requires significant funding that SHG has not committed to providing and therefore may not be resolved in the foreseeable future.
- PAC is concerned with the depletion of the guarantee from £100k to £35k within 6 months and what will happen if the guarantee runs out. SHFC's inability to generate enough funds to settle its utilities bills remains of major concern. To compound the issues, SHFC still has an outstanding old debt amounting to £245k.
- PAC remains concerned with the high electricity bills that the Corporation has to pay and that no deal can be reached with Connect for a better rate for a bulk consumer such as SHFC. PAC hopes the proposed investment plan to improve the efficiency of the Cold Store that will lead to an estimated 30% reduction in utilities charges, will yield the desired results.

### Recommendations

In relation to its scrutiny of St Helena Fisheries Corporation financial statements for the years ended 31 March 2017, **PAC recommends that:**

1. SHFC renegotiates its rates for frozen fish export given the increase in freight since the decommissioning of the RMS St Helena and start of the MV Helena (PAC recommendation 116 refers). Going forward SHFC negotiates its frozen fish sales FOB (free on board) so that they are not exposed to the freight increase risk.

2. SHFC must develop corporate policies and procedures for all of the Corporation's processes to assist in its effective running. A business process re-engineering must be considered to optimise the operations whilst prioritising efficiencies.
3. SHFC develops and implements a risk management framework so as to mitigate the operating risks and so that management and the Board are reminded of actions that need to be taken for Corporation to be successful.

### 3. Restriction on PAC function

In this third public session PAC had intended to review the published financial statements of Solomon & Company (St Helena) PLC where St Helena Government have a controlling interest by virtue of a majority shareholding valued at £5.3m. Indeed the total value of the SHG equity interest in its various group entities is £28.4m as reported in Note 11.2.2 of the SHG financial statements. This level of public investment in commercial entities represents over 10% of the net assets of St Helena Government.

With this scale of public capital at risk, transparent financial and performance reporting by these bodies and due oversight by PAC in the public interest is an expected feature of effective governance and accountability. Indeed such PAC oversight is recommended in the February 2017, FCO publication *Good Practice in effective oversight of public finances in the UK Overseas Territories*.

However, it has become apparent that the statutory provisions of the PAC in St Helena now fall far short of the expected remit. The Attorney General has advised that PAC are restricted to examining the accounts of SHG and any other accounts required to be laid before Legislative Council together with any report of the Chief Auditor. Seemingly the narrow interpretation of Section 69 of the Constitution and Standing Order 23 does not enable the PAC to examine the accounts of any entity where SHG has a controlling interest however those accounts are not required to be laid under the Companies Ordinance.

PAC's enquiries of SHG as shareholder have proved entirely unsatisfactory as the structural arrangements necessary for proper direction and control have significant failings, as highlighted by the Chief Auditor's report on the Governance of SHG Group Entities, SP 15/18 and as confirmed by PAC in their scrutiny in section 2(II) of this report.

Under the current statutory provisions PAC were unable to call the Board of Solomon & Company to appear on the 28<sup>th</sup> August 2018 to answer questions on their 2016/17 annual report and accounts. Indeed PAC are equally powerless to compel the various other Government controlled companies, to attend and provide evidence, including:

- Bank of St Helena Ltd
- Connect Saint Helena Ltd
- St Helena Hotel Development Ltd
- St Helena Airport Ltd
- Bertrands Cottage Ltd

This situation is unacceptable and represents a significant weakness in the parliamentary scrutiny of the public finances of St Helena. A range of workarounds have been proposed but have failed either on procedural or efficacy grounds. The proper way forward is for urgent legislative reform to bring the authority, powers, functions and procedures of the PAC up to date and in line with the guidance published by the FCO.

### **Recommendations**

In relation to its scrutiny of the public accounts of St Helena including the accounts of SHG controlled entities, **PAC recommends that:**

1. SHG bring forward, as a matter of urgency, a Bill for an Ordinance and associated Rules of Procedure which will provide a statutory basis for the effective functioning of the PAC, as envisaged by the February 2017, FCO publication: *Good practice in effective oversight of public finances in the UK Overseas Territories*

#### **4. Concluding Remarks**

PAC acknowledges the work of the Chief Auditor and staff of the St Helena Audit Service and attending officers of St Helena Government in assisting with this sessional report.

This sessional report on PAC proceedings held on the 29<sup>th</sup> of August 2018 is hereby authorised for issue to Legislative Council in accordance with section 69(8) of the Constitution of St Helena.

Cyril Gunnell  
Chairman

29 October 2018