



**St Helena  
Government**

**ST HELENA GOVERNMENT  
RESPONSE TO RECOMMENDATIONS ON THE  
PERFORMANCE AUDIT REPORT  
PROCUREMENT OF SEA FREIGHT SERVICES  
SEPTEMBER 2019**



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The Financial Secretary in his capacity as the responsible member of Executive Council submits an update on the action that has either been taken or is planned in response to recommendations contained in the reports of the Audit St Helena External Auditors.

This report provides responses to the recommendations in the Performance Audit Report: Procurement of Sea Freight Services September 2019

The table below explains the colour coding applied for the disposal of recommendations.

Implemented - no further action required and the matter is recommended to be closed.
Accepted – but matter not fully implemented and remains open for action in monitor.
Disputed – requires reconsideration and therefore remains open to monitor.

No	Recommendation	Responsibility	Response	Management's Recommendation
1	SHG must ensure that procurement regulations prepared under the Public Finance Ordinance are duly issued under Legal Notice such that they will have statutory authority as subsidiary legislation rather than merely guidance.	Corporate Procurement Executive	This matter is under consideration by management. A decision will be made in quarter 4 of 2019/20 in terms of how we will proceed.	Under consideration – remain open.
2	SHG must assess any other regulations issued under the Public Finance Ordinance 2010, such as the Financial Regulations, and ensure that they have been procedurally enacted as subsidiary legislation.	Deputy Financial Secretary	This work is in progress. A first draft of the Financial Regulations in the required format has been received and is expected to be finalised during quarter 4 of 2019/20.	Under consideration – remain open.
3	SHG's risk register must be updated with procurement being designated a high risk and controls put in place to manage non-compliances relating to procurement.	Corporate Procurement Executive	Non-compliance has been incorporated into the Corporate Finance Risk Register but is not considered a high risk. Procurement are currently work on a 3 tier process of audit through self-audit, internal audit and external audit to identify any non-compliance and corrective actions in addition to continually improving processes and procedures and regularly providing training to all directorates. The above, all being governed by the Procurement Board.	Implemented – recommended close.
4	Procurement regulations and guidelines must be (1) regularly reviewed and (2) updated to be more specific in order to lower the risk of non-compliance by project teams. Templates approved by the Procurement Board must be	Corporate Procurement Executive	The Procurement Regulations are regularly reviewed and updated. The last revision of the regulations appended the registration. Checklists have been developed for	Implemented – recommended close.

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	directly referenced in the regulations and mandatorily completed and retained.		all procurements and are being closely monitored.	
5	SHG must ensure third parties or any other non SHG employees assisting in preparation of specification and tender documents sign the Declaration of Interest/Confidentiality form.	Corporate Procurement Executive	This process is currently being adopted. The message will be reiterated to all Directorates who will acknowledge and accept compliance	Implemented – recommended close.
6	Procurements must always adhere to processes outlined in the tender documentation sent out to comply with the principle of transparency, even if it is over and above the procurement regulations.	Corporate Procurement Executive	No variance is accepted from initial evaluation criteria and therefore it is concluded that we are compliant.	Implemented – recommended close.
7	SHG should introduce to the procurement regulations a standstill period before a contract is signed, in which the rejected bidders have been informed of their reasons for rejection and can make an informed decision whether to appeal the decision or not.	Corporate Procurement Executive	Standstill period would be acceptable and is being reviewed with Legal in terms of process and revision of regulations with AG Chambers	In progress – to remain open.
8	SHG should consider developing additional checklists and/or templates to ensure fulfilment of the documentation requirements and verifiability for the actual execution of the procurement according to the regulations.	Corporate Procurement Executive	Checklists have been developed and implemented. Procurement are looking at quality checking the procedure for low risks where governance sits with the Accounting Officer.	In progress – to remain open.
9	To enhance the procurement process in being SMART, SHG must develop a probity checklist that is utilised as a self-assurance tool within the procurement unit.	Corporate Procurement Executive	Checklist has been developed that attach to Performance Metrics but further discussions need to take before this is finalised.	In progress – to remain open.

No	Recommendation	Responsibility	Response	Management's Recommendation
10	SHG must strengthen the record keeping system for mandatory information to be kept as per the procurement regulations.	Corporate Procurement Executive	Procurement have introduced the e-procurement solution In-tend and are managing medium and high risk procurements through the system but are looking at how low risk documentation is transferred onto the system.	Implemented – recommended close.
11	SHG must update Procurement Regulations Part 8: Definitions to reduce ambiguity and strengthen the overall regulations.	Corporate Procurement Executive	Procurement have had AG Chambers review the Procurement Regulations and await the change recommendation report.	In progress – to remain open.