



**St Helena
Government**

**ST HELENA GOVERNMENT
RESPONSE TO RECOMMENDATIONS ON THE PUBLIC
ACCOUNTS COMMITTEE AND PROGRESS REGISTER AS
AT 25 NOVEMBER 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 Public Accounts Committee which have been adopted by Legislative Council.

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

This report provides an update on previous recommendations in Sessional Papers 36/18, 38/18, 45/18, 47/18 and 01/19.

Recommendations will continue to be reported upon until such time as the Public Accounts Committee has confirmed that it is their view that the recommendation has been implemented.

The table below explains the colour coding applied by the Public Accounts Committee 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	Date Reported to Legco by PAC	Body/Name of Report	Recommendation	Responsibility	Response	Management's Recommendation
1	07/10/2014	ESH	ESH should place more emphasis on output and outcome measures both in strategic plans and in non-financial performance reporting.	Chief Executive for Economic Development	<p>ESH as a new organisation is continually developing procedures and policies to ensure that our outcomes are measurable and in line with our refocus. We have also in the past year registered with the Institute of Economic Development (IED) in the UK and currently working towards achieving "excellence in economic development".</p> <p>This will be placed on the internal audit programme once the Internal Auditor is in place.</p> <p>See response to related recommendation number 107.</p> <p>Updated response February 2019 – As a part of our current DFID programme our KPI's are centred around the Output and Outcome activities and the KPI's are aligned to this. These are reported in our Annual Report.</p>	Implemented and recommended to be closed.

					ESH regularly reviews KPI's and LogFrame Targets with our Board and Sponsors, with a view to ensuring that these remain both relevant and also focused on output and outcomes wherever practicable, however it is recognised by DfID that in certain areas of our Project Programme (such as supporting agricultural development) the physical outputs and outcomes of inputs may not be realised until after the project programme has been completed, and in such cases a short-term inputs versus outputs generated indicator is better placed than having no performance indicators at all.	
2	07/10/2014	ESH	ESH will need to develop management information systems to capture timely and accurate information for internal management and external performance reporting to stakeholders.	Chief Executive for Economic Development	<i>Updated response October 2019 - ESH is continually ensuring that the most effective method of collecting and storage of data is maintained.</i>	Accepted – In progress

29	29/04/2015	St Helena Fisheries Corporation	Internal management capacity remains a concern and the appointment of a counterpart General Manager will be required if the Corporation is to continue going forward.	SHFC Management Board	<p>Partial implementation.</p> <p>Update July 2018 - SHFC Board continues to monitor this and action will be taken when necessary to maintain management capacity at SHFC.</p> <p>Updated response February 2019 - An Interim General Manager is in place. The permanent position is due to be advertised this month.</p> <p><i>Updated response October 2019 – no further update received from SHFC.</i></p>	Accepted – in progress, remains open
31	29/04/2015	St Helena National Trust	The Trust plans to report audited accounts within six-months of the financial year end and requests a standing extension from the Governor until such time as section 18(1) of the Ordinance may be amended.	Trust Director & President	<p>Updated response October 2019 - The Ordinance was assented to on 21 March 2019 'to amend the St Helena National Trust Ordinance, 2001, to further regulate the powers and procedures of the St Helena National Trust and the Trust Council; and for connected and incidental purposes'.</p>	Implemented and recommended to be closed

33	29/04/2015	St Helena National Trust	The Trust reviews requirements for reporting on individual donor funded projects, to ensure that specific conditions are met in respect of any project completion audits, required by donors, in addition to the Trust financial statements.	Trust Director	<p>In progress.</p> <p>The requirements for reporting on individual donor funded projects are reviewed to identify specific conditions that may not be met by the annual financial statement audit.</p> <p>Updated response July 2018 – no further update.</p> <p>Updated response February 2019 - Complete.</p> <p>The Trust has a good handle on reporting to individual donor funded projects as demonstrated by a score of A+ from Darwin Plus on our most recently closed project. The Trust will continue to maintain a close view of all project funder requirements and endeavour to meet or exceed stipulated requirements of these funds.</p>	In progress – remains open
37	29/04/2015	SHG	The Chief Secretary provides a written statement of progress against recommendations and the Chief Auditor	Chief Secretary	<p>Chief Secretary to provide a written statement.</p> <p>Updated response December 2017 - Superseded by SHAS. Follow Up on previously issued</p>	Accepted – remain open

			<p>performs a substantive follow-up review on the progress made, in six-nine months and reports his findings to PAC in due course.</p>		<p>Value for Money/Performance Audit Recommendations, November 2016 SP 12/16.</p> <p>Updated response January 2018 – No further update.</p> <p>Updated response February 2019 – Management is currently in the process of finalising a three year strategy which will sit under the 10 year plan and will set out SHG's planned implementation of the 10 year plan, the Sustainable Economic Development Plan and the Capital Programme. This strategy is underpinned by the Strategic Priorities identified by Elected Members and will guide Directorate Strategic Planning and Budgeting. As a part of this work, SHG's Performance Management Framework is being revamped including reviewing the KPIs to ensure that they better reflect the outcomes determined in the three year strategy, the PM Framework will also include the tracking of all PAC recommendations and these will</p>	
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					<p>be reported against on a regular basis with effect from April 2019.</p> <p>The MTEF process is maintained although it is recognised that there has been some deviation over the last few years due to having a rollover budget which has impacted on the start of the planning and budget process. SHG does produce a 3 year financial budget however it is recognised that the two outer years are not fully developed. As stated earlier management is currently in the process of finalising a three year strategy which is underpinned by the Strategic Priorities identified by Elected Members and will guide Directorate Strategic Planning and Budgeting. It is anticipated that for the period beginning April 2021 SHG will have a three year financial budget in place underpinned by three year Directorate plans which are consistent with SHG's Strategy</p>	
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					<i>Updated Response October 2019 -</i>	
38	11/11/2015	SHG	Consistent with the report recommendations Earned Value (EV) calculations on the airport project are commissioned by SHG for the years ended 31 March 2015 and 31 March 2016 so as to ensure that the valuation is available for the SHG annual financial statements.	Financial Secretary	<i>Updated Response October 2019 -</i> Following discussions with a Crown Commercial Services UK Government Framework supplier the requirements of SHG were discussed and the supplier is in the process of developing a proposal which should be presented in the last quarter of 2019/20.	Accepted – remain open
39	11/11/2015	SHG	SHG must ensure that a risk management strategy is developed for the Airport Project Phase 2 and it must conform to risk management standards and best practice. The red risks (major risks) on the Airport Project should be tracked and mitigated to ensure that it do not affect the achievement of	Financial Secretary	SP 10/17: This is in progress. Aspects of Phase 1 of the Airport Project (construction phase) are continuing alongside Phase 2 works (Airport Operations). St Helena Airport is not currently dealing with the volume of traffic anticipated due to the delay in commencement of scheduled air services to St Helena. In this interim period, the same risk management methodology is being applied to both Phase 1 and Phase 2.	Accepted – remains open

			goals/objectives of the project.		<p>At operational level, separate reports are generated for the Construction and Operations aspects of the Airport Project but the escalation feeds into the same reporting structure (i.e. the same overarching Risks and Issues Registers). This is because both areas are under the same management responsibility at present (i.e. within the Airport Directorate and under the oversight of the Airport Project Board).</p> <p>As Phase 2 becomes more established, the two will be delinked and a separate risk management strategy will be devised for Phase 2. A review will be scheduled in late 2017 Updated Response December 2017 - Aspects of Phase 1 of the Airport Project (construction phase) are continuing alongside Phase 2 works. The same risk management approach is being applied to both but risks that are purely operational (Phase 2) are identified for the eventual delinking of the two.</p>	
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					<p>Target deadline is end June 2018 (to tie in with the projected conclusion of Phase 1) Updated response March 2018 – No further update.</p> <p>Updated response February 2019 - On 15 June 2018 Basil Read the contractor for the Airport Project announced it was going into Business Rescue. On the 2nd October 2018 St Helena Government terminated the contract with Basil Read and St Helena Airport Limited (SHAL) was created to ensure the smooth transition of Airport Operations. The construction elements were absorbed by the Airport Directorate. This response was the result of risk management and contingency planning.</p> <p>SHAL has a Board of Directors and have continued to meet the demands of the Airport Operations. The transition was seamless and accepted by all the regulators including ASSI. A further Airline Audit was successfully completed in January 2019.</p>	
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					<p>Under the St Helena Airport Construction governance arrangements are in progress with the first Project Board meeting being scheduled for March 2019. The constructed systems are currently under review to ensure that a full status of works is clear. In addition an independent review has been called for Project Assurance.</p> <p><i>Updated Response October 2019 -</i></p>	
40	11/11/2015	SHG	<p>Airport Management must implement the 8 recommendations contained in the audit report on the Airport project. The recommendations that have been provided by audit should be used by management to develop control mechanisms for Phase 2 so as to transfer the</p>	Financial Secretary	<p>Updated response February 2019 - These recommendations are incorporated into the governance of SHAL and SHAP (St Helena Airport) Construction.</p>	Implemented recommended to be closed

			learning from Airport Project Phase 1.			
41	11/11/2015	SHG	Management must develop an integrated assurance and approval plan for Phase 2 of the Airport Project Operations. Management must also determine areas where they require assurance so that its internal and external assurance providers can assist in that regard.	Financial Secretary	See responses to recommendation 40 above.	Implemented and recommended to be closed.
47	04/02/2016	SHG	SHG set out a technical proposition with resource assessment and timeline for the preparation of the financial statements of Government on a consolidated basis in accordance with IPSAS 6.	Financial Secretary	The Executive Council has accepted the advice of the Financial Secretary that he will make a determination under s10(2) of the PFO. Any commitment for additional resources must add value. On the basis that there is already mitigating disclosures on the results of SCE into the SHG entity financial statements (recognising it is not full consolidation) and the limited value that full consolidation will add at this time, it is deemed that compliance with IPSAS 6 is	Implemented and recommended to be closed.

					<p>not appropriate at this time to the circumstances of St Helena and it is the recommendation of the Corporate Finance that additional resources are not committed to prepare consolidated financial statements in accordance with IPSAS and that the Financial Secretary will make a determination under the Public Finance Ordinance 2010, s10(2) to divert from IPSAS 6. This will be revisited in the future.</p> <p>Updated response February 2019 - The Executive Council has accepted the advice of the Financial Secretary that he will make a determination under s10(2) of the PFO.</p>	
51	04/02/2016	SHG	SHG maintain active interest in the FCO sponsored governance review and take all necessary steps to apply the model framework proposed for the Overseas Territories to strengthen financial	Chief Secretary	<p>Can confirm this to be the case.</p> <p>Updated response February 2019 - This continues to be a priority for SHG.</p> <p><i>Updated response October 2019 - Work on governance reform has started with the visit</i></p>	Accepted

			governance, audit and parliamentary scrutiny in St Helena.		<i>of Professor Jeremy Sarkin in September 2019.</i>	
53	18/07/2016	ESH	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	<p>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 meaningful indicators as SHG is now addressing this issue.</p> <p>Updated response March 2018 – No further update.</p> <p>Update – Part of our log frame targets on Phase 2 with DFID and SHG is to increase the sustainable economic development of St Helena. Our first indicator is to state the total annual SHG revenue collected from private sector sources (£) which is obtained from the SHG</p>	Accepted

					<p>Corporate Finance Budget book. Our second indicator is to establish the average (median) employee income from employment (£) which is also taken from St Helena National Statistical Yearbook.</p> <p>Updated response February 2019 - As previously mentioned in our updates is the same which is part of our log frame targets on Phase 2 with DFID and SHG is to increase the sustainable economic development of St Helena. Our first indicator is to state the total annual SHG revenue collected from private sector sources (£) which is obtained from the SHG Corporate Finance Budget Book.</p> <p>Our second indicator is establish the average (median) employee income from employment (£) which is also taken from St Helena National Statistical Yearbook.</p> <p>When figures are available, these are captured and reported</p>	
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					<p>on in our Log frame and Annual Report.</p> <p>As a part of the 2018 Business Survey, undertaken by SHG and supported by ESH, questions to assist in the generation of a measurable GDP for the island have been included. Until such time as we have an up to date baseline for GDP it is difficult to measure ESH's impact to GDP (if we don't know what the GDP is) however ESH is utilising the measures available to the organisation.</p> <p><i>Updated response October 2019 - As a part of the 2019 DfID Annual Review, a number of new indicators were proposed which seek to provide greater clarity regarding the impact of the ESH Project Programme. These indicators were accepted by DfID and will be included in monthly monitoring reports from October 2019 onwards.</i></p>	
60	18/07/2016	St Helena National Trust	SHG should work with SHNT to prepare a condition survey to	SHG/SHNT	Updated response October 2019 -	Implemented recommended to be closed

			augment the register of the Island's built heritage (using the Crallen and Jeffs reports) and develop a strategy for the prioritisation of future management and maintenance given the significant long-term economic potential particularly in terms of tourism.		The Heritage Sub-Committee's report was taken to ExCo which met on 09 May 2019 and 'It was noted that funding would need to be identified to support the recommendations, and options to obtain finance would be taken forward by the Environment, Natural Resources and Planning Directorate. Members were happy to endorse the Review subject to the recommendations and associated actions being properly costed, appraised and prioritised through the MTEF process'.	
61	18/07/2016	St Helena National Trust	SHG needs to make a decision how the heritage assets are managed, decide which properties should be transferred or leased to SHNT.	SHG/SHNT	Updated response October 2019 - The latest iteration of the lease for HKF was supplied to the Trust by SHG Head of Property, on 25 September 2019; this will be reviewed shortly by the incoming Director and Trust Council. The Head of Property has supplied a draft lease for the Marine Centre and this is currently under review with the support of pro bono legal counsel. The Trust has also been in discussion with the Property Division of ENRD	Accepted

					about a lease for a property in Lemon Valley.	
63	18/07/2016	St Helena Hotel Development Ltd	SHG should document how it intends to manage the capital risk associated with the public investment in the hotel venture through SHHDL.	Directors	<p><i>Updated response October 2019</i> - In January 2019, consultancy firm BDO LLP conducted an operational review and market demand study for the SHG owned Mantis St Helena hotel.</p> <p>Whilst the full report on the outcome of the review is confidential to SHG and contains sensitive commercial information, a summary of the main findings has been published.</p>	Accepted – in progress – remain open.
64	18/07/2016	St Helena Hotel Development Ltd	SHG develop a time bound exit strategy for disposal of the public investment in SHHDL.	Directors	Updated response October 2019 - In January 2019, consultancy firm BDO LLP conducted an operational review and market demand study for the SHG owned Mantis St Helena hotel.	Accepted

					Whilst the full report on the outcome of the review is confidential to SHG and contains sensitive commercial information, a summary of the main findings has been published.	
73	18/07/2016	Currency Fund	Commissioners assess the different options regarding the issuing of commemorative coins, and specifically whether these should be deemed as legal tender.	Financial Secretary	<i>Updated response October 2019</i> - Considerations are ongoing and due consideration is given at the time of each coin approval.	Accepted – remains open
77	18/07/2016	Bank of St 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.	Financial Secretary	This will be considered by SHG in due course. Updated response February 2019 – This will be considered with the arrival of the Finance Business Manager who will lead along with the FS in recommending a future exit strategy from those SCE's where it is deemed appropriate to do so. <i>Updated response October 2019</i> -	Accepted

80	09/12/2016	SHG - Expenditure in Excess	The Financial Secretary issues regular communiqués to all accounting officers to remind them of their responsibilities with regards to budgetary control, expenditure spending and monitoring.	Financial Secretary	<p>This will be done periodically over the coming financial year.</p> <p>Updated response March 2018 – This is an ongoing process. There are regular communications with directorates to ensure that the necessary action is taken to prevent unauthorised expenditure in excess of that appropriated; these include requests for forecast revenue and expenditure to the year end and routine monitoring such as explanations for variations from budget. On this basis it is proposed that this matter is now closed.</p> <p>Updated response February 2019 - Regular communications continue to be issued.</p>	Implemented and recommended to be closed.
81	09/12/2016	SHG 2013/14 and 2014/15 AFS and ML	SHG maintain a register of all audit recommendations, action plans and timelines to ensure that all qualifications are resolved by 31 March 2018.	Financial Secretary	<p>Updated response October 2019 - SHG remains committed to addressing the qualification issues and reducing them year on year and it is anticipated that the majority of recommendations will be cleared in 2019/20.</p>	Accepted – remain open

85	09/12/2016	SHG - Managing Grants and Subsidies Value for Money report	SHG ensure that a Grants & Subsidies policy is developed and implemented as recommended by the Chief Auditor as a matter of priority to provide a proper framework for decision making and management in these awards.	Financial Secretary	<i>Updated response October 2019 – a Subsidies Policy has re-drafted and will be submitted to Executive Council in December 2019 for approval. The drafting of a Grants Policy will take place shortly after and presented for approval.</i>	Accepted – in progress – remains open.
86	09/12/2016	SHG - Managing Grants and Subsidies Value for Money report	SHG ensure that all grant and subsidy receiving entities/organisations sign Service Level Agreements (SLA) with SMART targets and deliverables. (SMART – Specific, Measurable, Attainable, Realistic and Time bound).	Financial Secretary	<i>Updated response October 2019 – with the drafting of the Subsidies Policy and eventually the Grants Policy the process for setting SLAs will also be clarified. The new regime will be implemented once the policy are improved.</i>	Accepted – in progress – remains open.
87	09/12/2016	SHG - Managing Grants and Subsidies Value for Money report	SHG ensure that there is alignment of the Strategic Objectives to targets/key performance indicators in the SLA of grants/subsidy receiving	Financial Secretary	<i>Updated response October 2019 – with the drafting of the Subsidies Policy and eventually the Grants Policy the process for setting SLAs will also be clarified. The new regime will be</i>	Accepted – in progress – remains open.

			organisations/entities and their business plans.		<i>implemented once the policy are improved.</i>	
88	09/12/2016	SHG - Managing Grants and Subsidies Value for Money report	SHG ensures that performance reports are independently and objectively validated before they are published for stakeholders.	Financial Secretary	<i>Updated response October 2019</i> – Performance reports are being scrutinised before issuing, however consideration will be given to whether further independent validation is necessary.	Accepted – in progress – remains open.
89	09/12/2016	SHG - Managing Grants and Subsidies Value for Money report	SHG provide updated implementation timelines for recommendations in the Managing Grants and Subsidies report.	Financial Secretary	See updates provided in 85-88 above.	Accepted
90	09/12/2016	SHG - NAO – Realising the Benefits of the St Helena Airport Project report	SHG provides responses to questions that were asked during the formal session that officials could not furnish the public with appropriate responses.	Chief Secretary	The questions posed ask officials for an opinion on the project design and delivery. The matters identified will be considered by the project review to be conducted by DFID. It would be inappropriate to speculate on the outcome of that review. Updated response February 2019 - Action complete.	Implemented and recommended to be closed.

91	09/12/2016	SHG - NAO – Realising the Benefits of the St Helena Airport Project report	SHG updates its Strategic Risk Register with risks that have been raised in the NAO Airport report so that they can be monitored.	Chief Secretary	SHG's Corporate risk Register contains such risks which are managed through the risk management process. Updated response February 2019 - Action complete.	Implemented and recommended to be closed.
98	01/05/2017 (SP 30/17)	Connect St Helena Ltd 2015/16 Audited Annual Financial Statements	Connect implements measures to accurately quantity, as well as minimise, the water losses in the distribution networks. Presently unaccounted water losses are estimated to vary between 10% and 50%.	CEO, CSH	The program has commenced with Ladder Hill losses measured at below 10%. Bellstone is the second area where metering is in place and initial readings have been taken and once the second readings are taken the loss in this area can be quantified. The third area is also in Levelwood below the Kingdom Hall. The program is implemented with a rolling program of bringing additional areas online. Updated response February 2019 - The unaccounted water program is now an established business process. Following rectification works losses at Ladder Hill are 5%, Barren Ground was evaluated and with losses at 6.1% with no remedial	Implemented and recommended to be closed.

					<p>works required both are now within acceptable limits.</p> <p>The lower Deadwood area had losses of approximately 70% due to regrading of land by Basil Read disrupting the pipe and burying it so deep that leakage identification was impossible. This whole main has been replaced and buried to the usual depth with losses acceptable at 4%.</p> <p>The main areas under investigation at present are the higher areas of Deadwood and Levelwood that is being further zoned to improve analysis. The PAC recommendation which Connect was happy to accept required the implementation of an unaccounted for water program and we are of the opinion that the action is complete. Unaccounted for water monitoring and rectification is an ongoing program that will never be complete. The program was initially hindered by the lack of bulk meters on the tanks and strategic mains which should have been installed at the same</p>	
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					time as the tanks and mains but with many meters now installed and more in stock this important program can continue to reduce unaccounted for water volumes.	
99	01/05/2017 (SP 30/17)	Connect St Helena Ltd 2015/16 Audited Annual Financial Statements	Connect records and maintains flow data information if necessary using maps developed initially for the 1990 to 2010 Water Plan and that these Water Plans be updated 5-yearly and published.	CEO, CSH	<p>Connect has comprehensive raw flow data from all water sources which are recorded on a daily basis. The data is essential to the management of our water resources.</p> <p>Updated response February 2019 - As previously reported, comprehensive information on flows and reservoir levels is recorded daily and used as a basis for decision making by the Water Team. This is again another activity that is embedded in the business now and we are of the opinion that this action is now complete.</p>	Implemented and recommended to be closed.
104	01/05/2017 (SP 30/17)	ESH Ltd 2015/16 Audited Annual Financial Statements	ESH determines its future intentions with regards to its ownership in Bertrand's cottage as a training facility and standalone business. A medium term exit strategy should be developed	Chief Executive for Economic Development	Update – Bertrand's Cottage will still be used as a training facility for at least the next 15 months to June 2019 due to the funding received from DFID under our Phase 2 project. Bertrand's Cottage will remain to be divested thereafter.	Implemented and recommended to be closed.

			within the next twelve months.		<p>Updated response February 2019 - as mentioned previously ESH is still utilising the Cottage as a Training Facility to June 2019. The Cottage is however being included in the current investment strategy of the Island and will be included in the prospectus that the Investment Enabling Group is currently drafting and will be marketed from April 2019. However ESH continues to work on the exit strategy.</p> <p><i>Updated response October 2019 - The Cottage was utilised as a training facility until the end of June 2019 when the Trainer's contract ended. The property is now listed in the Investment Prospectus which SHG and ESH launched in October 2019. The ESH board has now agreed on the exit strategy and is currently implementing this with the view that by the end of the financial year 2019/2020 ESH will no longer have an interest in the facility.</i></p>	
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105	01/05/2017 (SP 30/17)	ESH Ltd 2015/16 Audited Annual Financial Statements	ESH record all identified risks in their strategic and operational risk registers and develops practical mitigation plans. ESH submits its Strategic Risk Register to enable PAC to reconcile the challenges noted in the Annual Report.	Chief Executive for Economic Development	Update - The risk register is updated on a monthly basis and will be submitted to the PAC after year end. Updated response February 2019 - ESH supplied the Risk Register for the financial year 2016/2017 as well as 2017/2018 to the PAC on 30 April 2018 and will continue to supply the risk register to the PAC after our financial year end (anticipated date end of April 2019).	Implemented and recommended to be closed.
107	01/05/2017 (SP 30/17)	ESH Ltd 2015/16 Audited Annual Financial Statements	ESH during its strategic planning phase sets KPIs that are based on outputs and/ or outcomes rather than the inputs or activities. Progress against these output/ outcome based KPIs are then expected to be reported in the Annual Report.	Chief Executive for Economic Development	The ESH Annual Report 2016/17 reports on KPIs. Update - All KPI'S will be reported on in the Annual Report as well as progress against them. Updated response February 2019 – See response to recommendation 1.	In progress – remains open.
111	01/05/2017 (SP 30/17)	Bank of St Helena Ltd 2015/16 Audited Annual	BOSH, ESH and SHG consider partnerships that will see the ESH advisors and SHG representatives' abroad (South Africa,	Manager, BOSH	BOSH endeavours to work in partnership with ESH and SHG and their representatives and advisor where necessary. If bank card/bank queries are received from customers the	Implemented and recommended to be closed.

		Financial Statements	Falklands, United Kingdom) assist bank clients that may be experiencing complications with their bank cards/ bank queries.		bank readily assist with, often with positive results at this time. Updated response February 2019 - The Bank continues to work in partnership with ESH, SHG and their respective advisors where necessary.	
112	01/05/2017 (SP 30/17)	Bank of St Helena Ltd 2015/16 Audited Annual Financial Statements	BOSH set a structured training programme for its staff members and also includes overseas training as appropriate.	Manager, BOSH	BOSH has this matter in hand, staff training programmes are currently being put into place which will include overseas training/exposure as appropriate and the necessary budget arrangements are being considered. It is expected that the MD will depart the island during this year for training and exposure along with other Senior Officers and staff over the coming years. A written response will be provided. Updated response February 2019 - As previously reported, this is in place and is ongoing.	Implemented and recommended to be closed.
113	01/05/2017 (SP 30/17)	Bank of St Helena Ltd 2015/16 Audited	SHG as shareholder set financial performance expectations in terms	Financial Secretary	To be implemented for the 2018/19 financial year.	Accepted – in progress – remains open.

		Annual Financial Statements	of profitability, growth and dividend policy.		<p>Update July 2018: No further update at this stage.</p> <p>Updated response February 2019 - The Financial Secretary in his role as Shareholder Representative on the Board of Directors for the Bank of Saint Helena, agreed key performance indicators for 2018/19. Dividend policy is under consideration and will likely come into effect from 2019/20 financial year.</p>	
115	01/05/2017 (SP 30/17)	St Helena Fisheries Corporation 2015/16 Audited Annual Financial Statements	PAC notes with concern, the high electricity bills that SHFC is paying and encourages SHFC to further improve energy efficiency and negotiate with Connect a bulk user electricity tariff.	General Manager, SHFC	<p>SHFC has undertaken an energy monitoring scheme to determine factory energy usage based on electricity circuits (freezer/chillers, lights, sockets, ice plant). SHFC GM produced an operational review in August 2017 which was presented to SHG outlining findings.</p> <p>SHFC operational management has in place energy saving initiatives which include switching of lights and appliances when not in use however, the ultimate major source of energy consumption is as a result of the factory's cold-</p>	Implemented and recommended to be closed.

					<p>rooms (which is not controllable by operational daily use initiatives), nevertheless during the week long shutdown in November 2017 all chiller and freezer door seals have been replaced in addition the old leaking pipe work that support the refrigeration system has been replaced to ensure efficiency.</p> <p>It has been determined that cold-rooms' are indeed too large for the throughput of fish current received and must be made smaller.</p> <p>The GM of SHFC has prepared a proposal (and investigating technical advice) for consideration by ESH to procure panelling to reduce the physical size of one of the SHFC cold-rooms by 50% which is anticipated to reduce energy consumption by 30% which will be reviewed by the SHFC improvement plan working group before submission.</p> <p>No further update.</p>	
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					Updated response February 2019 - The corporation has implemented a freezer reduction project which is in its final stages of completion, the expected completion time is mid-March 2019, it is estimated that this change could reduce the electricity consumption by at least 30%, further reductions which will be implemented is converting all internal lighting to energy-saving LED lights as well as the reductions in stored ice for offshore vessels. The proposed conversion from R22 Freon gas to an alternative refrigerant will also reduce consumption.	
116	01/05/2017 (SP 30/17)	St Helena Fisheries Corporation 2015/16 Audited Annual Financial Statements	PAC notes with concern, the high freight charges for moving fish for export and encourages SHFC and AWSL to consider negotiating an export rate to encourage sustainable business.	General Manager, SHFC	No formal attempt was made by SHFC to AWSL to consider the negotiating the export rate for containers. Informal enquires would suggest that this is not an option. This recommendation will be presented to the SHFC improvement plan working group and formally explored as an option by February 2018.	Accepted – remain open

					<p>Updated response February 2019 - The cost of both sea and air freight are constantly monitored, the airfreight costs are still high but will reduce as volumes increase, the volume of sea freight is expected to decrease as more focus is placed on sales to the local market and Airfreighting of Premium Tuna. There are discussions planned with Airlink to negotiate lower rates. A reduced rate has already been agreed with AWSML for sea freight between St Helena and Cape Town, AWSML do not have any control over transshipment rates.</p> <p><i>Updated response October 2019 – future operating model for the SHFC is currently under review by a Fisheries Task Group commissioned by Executive Council to identify an alternative operating model.</i></p>	
119	01/05/2017 (SP 30/17)	SHG 2015/16 Audited Annual	PAC notes with concern the two overdrawn Special Funds amounting to	Financial Secretary	The overdrawn balance on the DFID Technical Cooperation Special Fund of £230K has now been cleared through the	Implemented and recommended to be closed

		Financial Statements	£350,000. Financial Secretary should arrange for these balances to be approved for write off in accordance with Financial Regulations. Further the Financial Secretary takes specific steps to avoid project expenses being incurred prior to the operative date of donor funding agreements.		<p>utilisation of other unspent DFID project funding claimed in advance. Approval from DFID has been received.</p> <p>The overdrawn balance on the Unallocated Stores Trading account will be written off in this financial year 2018/19. Updated response February 2019 - Arrangements are being made to write off the balance on the Unallocated Stores Trading Account in this financial year 2018/19.</p>	
120	01/05/2017 (SP 30/17)	SHG 2015/16 Audited Annual Financial Statements	SHG submits a written rationale for the write-off of the Fairhurst Water Design Consultancy in the amount of £665,000 (PAC recommendation SP 35/16 also refers). The Financial Secretary to confirm the accounting treatment adopted for the write-down of the Connect Shareholding in this amount conforms to Financial	Financial Secretary	<p>Confirmed.</p> <p>Updated response February 2019 - This recommendation is considered to be complete.</p>	Implemented and recommended to be closed.

			Regulations and required authorisations.			
122	01/05/2017 (SP 30/17)	Bulk Fuel Installation 2015/16 Audited Annual Financial Statements	SHG quantifies the decommissioning costs of the old BFI and clarifies from where these costs are to be funded.	Financial Secretary	<i>Updated response October 2019</i> - Decommissioning options have been considered and an outline scope of works has been costed. Discussions continue and will be concluded before the estimated decommissioning date. The Financial Secretary gave an explanation to the PAC when discussing the 2016/17 financial statements where it was made clear that no provision was made in the DBOH contract for the decommissioning of the exiting BFI, however discussions are ongoing with DFID about the options to finance the to be agreed solution.	Accepted – in progress – remain open
123	01/05/2017 (SP 30/17)	Bulk Fuel Installation 2015/16 Audited Annual Financial Statements	SHG provides a written statement on the additional costs incurred through the emergency fuel shipment charter and explains how this	Financial Secretary	Options for the recovery of the increased cost per litre of fuel from the emergency fuel shipment included consideration of the wider social and economic implications. The costs have been recovered through sales over several future shipments of	Implemented and recommended to be closed

			additional cost will be funded.		fuel by adjusting the contribution to BFI.	
125	01/05/2017 (SP 30/17)	Currency 2015/16 Audited Annual Financial Statements	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.	Financial Secretary	Potential conflicts of interest are considered at each Currency Commissioner's meeting. The Commissioners have a fiduciary responsibility towards to the Currency Fund and the decisions made by the Commissioners must be made in the best interest of the Currency Fund. Where There have been no instances where	Implemented and recommended to be closed.
126	01/05/2017 (SP 30/17)	Currency 2015/16 Audited Annual Financial Statements	PAC formally notes a review on the St Helena Pound versus Sterling is being performed and anticipates proper consideration of that report after all due processes have been followed. (PAC recommendation in SP 35/16 refers)	Financial Secretary	The report by the Government Economist on the St Helena Pound has been considered. Updated response February 2019 - The report has been considered and no further action is proposed at this point in time.	Implemented and recommended to be closed.

128	01/05/2017 (SP 30/17)	St Helena Hotel Development Ltd 2015/16 Audited Annual Financial Statements	The Chief Planning Officer and Building Inspector specify definitely the standards that are applicable to building construction in St Helena and the Building Regulations to be updated and approved accordingly.	Chief Planning Officer	New building regulations were approved in April 2019.	Implemented and recommended to be closed.
132	July 18 (SP 38/18)	SHG - Expenditure in Excess 2016/17	Corporate Finance implements Focal Point into Access Dimensions to ensure that there are automated controls in place to eliminate issues that are causing expenditure in excess. Training must be provided to all finance personnel to ensure that they are adequate for practical operating purposes.	Deputy Financial Secretary	In progress. Arrangements are being made to secure funding for the implementation of focal point. The specification is being developed alongside of the service provider, subject to available sources it is planned to have the service provider on Island early in 2020 to deliver the necessary training and development. Target Date: 31 March 2020.	Accepted – in progress – remain open
133	July 18 (SP 38/18)	SHG - Expenditure in Excess 2016/17	Financial Secretary ensures that the PAC recommendation stating that he issues regular communiqués to all Accounting Officers to remind them	Financial Secretary	Implemented. This is a continuous process. On 1 August 2018, following the approval of the annual budget for 2018/19, letters were issued	Implemented and recommended to be closed.

			of their responsibilities with regards to budgetary controls, expenditure spending and monitoring, is being implemented.		<p>to Accounting Officers reminding them of their responsibilities in accordance with the Public Finance Ordinance.</p> <p>On 26 September 2018, forecasting guidelines were issued to Accounting Officers for the process of forecasting budget plans to the year end.</p> <p>Updated response February 2019 – This recommendation is considered to be implemented. See response to recommendation 80.</p>	
134	July 18 (SP 38/18)	SHG - Expenditure in Excess 2016/17	Corporate Finance develops a roadmap for the implementation of accruals based budgeting to ensure that all stakeholders are covered and ensures that all necessary stakeholders receive the necessary training with regards to accruals budgeting.	Financial Secretary	<p>A review is being conducted. The initial step is to determine the legislative requirements for budgeting to consider the best method of budgeting that SHG should adopt; one that meets legislative requirements and the needs of decision makers. The review will consider the benefits and challenges of cash based, modified cash based and accruals based budgeting and make a recommendation to Executive Council on the best course of action. The review will</p>	Accepted – in progress – remain open

					also recommend the legislative and policy changes required to implement the recommended course of action. <i>Updated response October 2019</i> - The review is ongoing	
135	July 18 (SP 38/18)	SHG - Expenditure in Excess 2016/17	Corporate Finance prepare due diligence papers complete with business plans and risk management to support withdrawal warrants in future so as to avoid the directorate having expenditure in excess after giving up funds.	Deputy Financial Secretary	Recommendation Addressed Corporate Finance has addressed the root cause of this issue by strengthening the performance management function of Corporate Finance to mitigate the risk of expenditure in excess. A Performance Management Team has been established within Corporate Finance to support Accounting Officers with budget management processes and enhance the level of scrutiny of directorate budget submissions.	Implemented and recommended to be closed.
136	July 18 (SP 38/18)	SHG - Expenditure in Excess 2016/17	Corporate Finance provides financial training to non-financial managers (Accounting Officers and their Executive Officers providing accounting	Deputy Financial Secretary	The Performance Management Team which has been established within Corporate Finance includes two Management Accountants who deliver support and guidance to Directorate staff on a daily basis	Implemented and recommended to be closed.

			support) to enhance their understanding of finance related matters and improve the management of Directorates financial position.		and address training needs identified during this process. A series of monthly training workshops commencing in September 2019 has and is being delivered to Accounting Officers and senior managers and directorate finance staff covering a wide range of accounting and finance areas based on their level within SHG. This include basic accounting, the financial regulation requirements and forecasting.	
137	July 18 (SP 38/18)	SHG - Expenditure in Excess 2016/17	The Health Directorate carry out a contract performance evaluation on the Medical Services Organisation (MSO) contract after the first 12 to 18 months of operation.	Director of Health and Procurement Lead	Actioned.	Implemented and recommended to be closed
138	July 18 (SP 38/18)	SHG - Expenditure in Excess 2016/17	The Health Directorate develop an estimation model that will ensure that their budget is adequate for the entire financial year.	Director of Health	Action complete.	Implemented and recommended to be closed.

139	July 18 (SP 38/18)	SHG - Expenditure in Excess 2016/17	The Health Directorate prepare due diligence papers to support withdrawal warrants in future so as to avoid the directorate having expenditure in excess.	Director of Health	See response under 135 above.	Implemented and recommended to be closed.
140	July 18 (SP 38/18)	SHG - Expenditure in Excess 2016/17	The excess expenditure on Head 23, Public Health, for Recurrent Expenditure of £110,996 and Capital Expenditure of £72,821 for the 2016/17 financial year is recommended to be allowed to stand charged to public funds	Financial Secretary	Motion 5 of 26 October 2018 approved under section 106 procedures to allow the excess expenditure for 2016/17 to stand charged to public funds.	Implemented and recommended to be closed.
141	July 18 (SP 38/18)	SHG - Expenditure in Excess 2016/17	The excess expenditure on Head 12, Corporate Support Services, for Recurrent Expenditure of £22,161 for the 2016/17 financial year is recommended to be allowed to stand charged to public funds.		Motion 5 of 26 October 2018 approved under section 106 procedures to allow the excess expenditure for 2016/17 to stand charged to public funds.	Implemented and recommended to be closed.
142	July 18 (SP 38/18)	SHG - Expenditure	Corporate Support develops documented manuals/	Deputy Chief Secretary	Procedures outlining the relationship and accounting treatment for transactions within	Implemented and recommended to be closed.

		in Excess 2016/17	processes/procedures to outline their relationship and accounting treatment of transactions with other units, for which they manage budgets on their behalf (e.g. Attorney General's Chambers, UK Representative's office etc).		Head 12 Corporate Services – Support, Policy and Planning, is complete.	
144	July 18 (SP 38/18)	SHG - Expenditure in Excess 2016/17	SHG should consider setting up ENRD Technical Services as a trading account especially when rechargeable works are being provided.	Director of Environment and Natural Resources	<p>In progress.</p> <p>The Environment & Natural Resources Directorate was restructured into two Directorates from 1 April 2019. The two new Directorates are the Environment, Natural Resources & Planning Directorate and the Infrastructure & Transport Directorate.</p> <p>Technical Service provision will be part of the Infrastructure & Transport Directorate, which will also include Buildings and Grounds Maintenance, Land Registry, Roads, Street lightening, Geographical</p>	Accepted – in progress – remain open

					<p>Information Systems and Housing. Assessments are being carried out 'in house' as part of the planning process, to determine ways of making the Directorate more efficient and provide better value for money. This includes looking at rechargeable works such as Technical Services, with a view to a trading account potentially being set up to accommodate various components of the services provided by the I&T. These plans are still in the development stage at the moment but if they are deemed viable could potentially ensure that the cost of providing these services are recovered through recharging users of these services, which, in turn will help create more resources and a better use of resources, to enable us to meet our strategic goals and objectives. We would of course need to ensure that all of the costs of operating the services as a trading account would be recovered through the recharges.</p>	
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145	July 18 (SP 38/18)	SHG - Expenditure in Excess 2016/17	SHG should consider capturing the Airport Operations within a special fund to match the expenditures on these operations with the revenues generated through fees and charges.	Financial Secretary	Implemented. The Special Fund for the Saint Helena Airport Trading Account was established on 23 March 2018.	Implemented and recommended to be closed.
146	26/10/2018 (SP 45)	SHG 2016/17 Audited Annual Financial Statements and Management Letter	SHG should ensure that the Financial Secretary has access to sufficient technical capacity to maintain both the reporting of the financial statements on a timely basis and the monitoring and management of the current financial position.	Chief Secretary	Response February 2019 – This recommendation is considered to be implemented. Additional staffing resource has been recruited and separate Teams have been established within Corporate Finance for Financial Reporting and Performance Management.	Implemented and recommended to be closed.
147	26/10/2018 (SP 45)	SHG 2016/17 Audited Annual Financial Statements and Management Letter	The Financial Secretary should maintain effort on clearance of the matters causing continued qualification of the SHG financial statements.	Financial Secretary	See response under 81 above.	Accepted – in progress – remain open.

148	26/10/2018 (SP 45)	SHG 2016/17 Audited Annual Financial Statements and Management Letter	EDF programme governance, management and monitoring arrangements, should be improved to ensure that required variable project indicators are met and timely returns are made to the European Commission to ensure that committed EDF funds are realised to the benefit of St Helena.	Financial Secretary	Response February 2019 – This has been addressed, a project board and a delivery group called St Helena connected has been established to monitor the milestones needed for all tranches of the EDF 11 programme. The St Helena connected group is chaired by a member of executive council. <i>Updated response October 2019 – no further response can be given at this stage.</i>	Accepted
149	26/10/2018 (SP 45)	SHG 2016/17 Audited Annual Financial Statements and Management Letter	The Chief Auditor is invited to examine the root cause of the waste and inefficiency identified by this Committee (including the un-readiness of the Ruperts Wharf for cargo operations, the Fire Engines which are not fit for purpose, and the write-off of the Water solutions project) and make	PAC	Response February 2019 – This is considered to be within the current remit of the Public Accounts Committee.	

			recommendations to Government to prevent these failings going forward.			
150	26/10/2018 (SP 45)	St Helena Hotel Development Ltd (SHHDL) 2016/17 Audited Annual Financial Statements	Public construction projects have a defects warranty period and contract sum withholding clause, commensurate with the nature of the development works and the public exposure to risk associated with non-performance and the remedy of defects in design or workmanship or operational utility.	Financial Secretary	Response February 2019 - This provision is included in the standard form template for SHG contract: "Within 5 days of Practical Completion, the Contractor and Government's Representative shall agree the value of the Works and the sum due less 5% retention; the Contractor shall issue an invoice and the Government's Representative a payment certificate. The retention shall be released to the Contractor upon satisfactory completion of the Defects' Period".	Implemented and recommended to be closed.
151	26/10/2018 (SP 45)	St Helena Hotel Development Ltd (SHHDL) 2016/17 Audited Annual Financial Statements	Procurement Regulations require that where any public procurement contracts is written in a foreign currency, a forward hedging agreement is arranged by the Financial Secretary to manage the associated	Financial Secretary	Response February 2019 - This is a requirement in Procurement Regulations, sections 40.1 and 40.2 refers.	Implemented and recommended to be closed.

			exchange rate exposure for the duration of the contract.			
152	26/10/2018 (SP 45)	St Helena Hotel Development Ltd (SHHDL) 2016/17 Audited Annual Financial Statements	PAC underlines recommendations 63 and 64 made in July 2016 that SHG documents how it will manage the capital risk associated with public investment in this project and develop a time bound exit strategy, which may include an initial public offering of shares.	Chief Secretary	Response February 2019 - Please refer to responses for recommendations 63 and 64.	In progress – remain open.
153	26/10/2018 (SP 45)	St Helena Hotel Development Ltd (SHHDL) 2016/17 Audited Annual Financial Statements	PAC refers to recommendation 130 made in May 2017, SHG should review and update the range of skills on the SHHDL Board to accord with the requirements of the Company during the operational phase and reconsider explicitly the question of conflict of interest of the present directors of SHHDL.	Chief Secretary	Response February 2019 –This recommendation is deemed to be closed on the basis that the PAC assessment of SP/36 dated July 18 considered recommendation (130) to be closed.	Implemented and recommended to be closed.

154	26/10/2018 (SP 45)	St Helena Hotel Development Ltd (SHHDL) 2016/17 Audited Annual Financial Statements	SHG review the whole appointment process for Executive Directors and Non-Executive Directors across the SHG controlled entities, consistent with the Chief Auditors report on the Governance of SHG Group Entities.	Chief Secretary	<i>Updated response October 2019 - A key recommendation of Auditor's Report was an Ownership Policy for State Owned Entities. The Policy was approved by Executive Council on 21 November 2019 that clarifies this process.</i>	Implemented and recommended to be closed.
155	26/10/2018 (SP 45)	Connect Saint Helena Ltd (Connect) 2016/17 Audited Annual financial Statements	Connect ensure that comprehensive asset management plans are developed to drive the planned maintenance of electricity and water infrastructure assets.	CEO, CSH	Response February 2019 - Comprehensive asset management plans exist and the company adopts the principle of planned preventative maintenance.	Implemented and recommended to be closed.
156	26/10/2018 (SP 45)	Connect Saint Helena Ltd (Connect) 2016/17 Audited Annual financial Statements	Connect develop efficiency plans designed to manage operating costs through optimum use of labour, transport, plant and materials and contain non-productive costs and overheads.	CEO,CSH	Response February 2019 - Cost efficiencies are high on the management agenda with targets set within the annual appraisal system. Work teams have already been optimised and attend remote workplaces in fully equipped vehicles which has significantly improved the proportion of productive time during the working day. Year on	Implemented and recommended to be closed.

					<p>year controllable costs are reducing however the business is subjected to significant uncontrollable costs.</p> <p><i>Updated response October 2019 - Since the February response an independent review of Connect was undertaken. The report notes that "Five years is not a long time to completely transform a public service to a private company. A period of change management is inevitable. Stakeholders always wish for better efficiencies not aware that efficiency improvement requires resources. Review reports by URA indicate that CSH has made significant achievements in operational efficiencies"</i></p>	
157	26/10/2018 (SP 45)	Connect Saint Helena Ltd (Connect) 2016/17 Audited Annual financial Statements	SHG review the whole appointment process for Executive Directors and Non-Executive Directors across the SHG controlled entities, consistent with the Chief Auditors report on the	Chief Secretary	See response to recommendation 154.	implemented and recommended to be closed.

			Governance of SHG Group Entities.			
158	26/10/2018 (SP 45)	Enterprise St Helena (ESH) - 2016/17 Audited Annual Financial Statements	ESH Board take ownership of the PAC recommendations addressed to ESH and focus on clearing those long outstanding items.	Chief Executive for Economic Development	<p>Response February 2019 - ESH Board is aware of the recommendations and is working to resolve them.</p> <p><i>Updated response October 2019 - All the recommendations were taken to the Board in January 2019 and they agreed the management responses. To date ESH has not received any new recommendations.</i></p>	Accepted – remain open.
159	26/10/2018 (SP 45)	Enterprise St Helena (ESH) - 2016/17 Audited Annual Financial Statements	ESH should appoint independent non-executive directors on the Board of Bertrand's Cottage Ltd and avoid any conflicts of interest.	Chief Executive for Economic Development	<p><i>Updated response October 2019 - A new independent Board member was appointed and other members were been sought. However due to the Exit Strategy been agreed by ESH Board no further members are sought currently.</i></p>	Accepted – remain open.
160	26/10/2018 (SP 45)	Enterprise St Helena (ESH) - 2016/17 Audited Annual Financial Statements	ESH should review the accounting treatment of grant funded capital works so that the financial statements of ESH properly recognise the right obligations and service	Chief Executive for Economic Development	<p>Updated response October 2019 - All improvements to leasehold properties are been capitalised as part of the Accounting procedures. As this action is now completed ESH recommends that this action is now closed.</p>	Implemented and recommended to be closed.

			potential accruing from these assets.			
161	26/10/2018 (SP 45)	Bank of St Helena Ltd (BOSH) - 2016/17 Audited Annual Financial Statements	BOSH Board removes the link between the pay bonus and the audit report and looks instead at alternative performance measures.	Manager, BOSH	Response February 2019 - This is a Board and Management issue and will be considered accordingly. <i>Updated response October 2019 - As reported above this is a Board and Management issue and will be reviewed accordingly.</i>	Accepted – remain open.
162	26/10/2018 (SP 45)	Bank of St Helena Ltd (BOSH) - 2016/17 Audited Annual Financial Statements	BOSH review the performance and operational resilience of the local debit card scheme and make changes necessary to improve take-up and realise the operational efficiencies of electronic transaction processing.	Manager, BOSH	<i>Updated response October 2019 - The Bank continues to review the performance and operational resilience of all its products and services and changes are made where necessary to enable improvement and efficiencies. To date we have 51 businesses offering the local debit acceptance services with 1844 registered local debit card holders.</i>	Implemented and recommended to be closed.
163	26/10/2018 (SP 45)	Bank of St Helena Ltd (BOSH) - 2016/17	BOSH look to introduce the international pre-paid card as soon as possible to alleviate the	Manager, BOSH	Response February 2019 - As advised at the PAC in May	Accepted

		Audited Annual Financial Statements	practical difficulties of exchanging local currency for travel overseas.		2018, the bank is making progress in this area. <i>Updated response October 2019 - The Bank continues to make progress in this area and is hopeful that an international pre-paid debit card is introduced before the end of the Financial Year 2019/20</i>	
164	26/10/2018 (SP 45)	Bank of St Helena Ltd (BOSH) - 2016/17 Audited Annual Financial Statements	SHG articulates strategic direction and performance expectations for the Bank and determines distribution of retained earnings as dividend.	Manager, BOSH	Response February 2019 – see response to recommendation 113. <i>Updated response October 2019 - No further update at this stage.</i>	Accepted
165	26/10/2018 (SP 45)	Bank of St Helena Ltd (BOSH) - 2016/17 Audited Annual Financial Statements	SHG review the whole appointment process for Executive Directors and Non-Executive Directors across the SHG controlled entities, consistent with the Chief Auditors report on the Governance of SHG Group Entities.	Manager, BOSH	Updated response February 2019 - See response to recommendation 154.	Implemented and recommended to be closed

166	SP 01/19 08/03/2019	St Helena Government - Expenditure in Excess 2017/18	The Financial Secretary introduce measures to identify capital expenditure when preparing budget estimates and during the financial year by reference to the contracts register and through other means.	Financial Secretary	Response June 2019 - Additional resources within the Corporate Finance team enabled further controls to be implemented with regard to classification of expenditure in the preparation of the SHG Budget. This involved scrutiny at both the directorate and corporate level. Further training has been provided on classification of expenditure and adjustments have been made to the Budget Templates to ensure that capital expenditure is captured during the planning process. This work has resulted in capital expenditure for I&T being appropriately classified in the 2019/20 Budget.	Implemented and recommended to be closed.
167	SP 01/19 08/03/2019	St Helena Government - Expenditure in Excess 2017/18	The excess expenditure on Head 23, Health, for Recurrent Expenditure of £10,404 for the 2017/18 financial year is recommended to be allowed to stand charged to public funds	Financial Secretary	Response June 2019 - Legislative Council resolved at the 8 March 2019 meeting that the Statement of Expenditure in Excess 2017/18 laid as SP 46/2018 should stand charged to public funds in accordance with section 106(3) of the Constitution.	Implemented and recommended to be closed.

168	SP 01/19 08/03/2019	St Helena Government - Expenditure in Excess 2017/18	The excess expenditure on Head 22, Education, for Capital Expenditure of £34,304 for the 2017/18 financial year is recommended to be allowed to stand charged to public funds.	Financial Secretary	Response June 2019 - Legislative Council resolved at the 8 March 2019 meeting that the Statement of Expenditure in Excess 2017/18 laid as SP 46/2018 should stand charged to public funds in accordance with section 106(3) of the Constitution.	Implemented and recommended to be closed.
169	SP 01/19 08/03/2019	St Helena Government - Expenditure in Excess 2017/18	The Director of Education introduce measures to ensure the correct classification of capital and revenue expenditure when preparing the budget estimates and in the recording of transactions.	Director of Education	Response June 2019 - There is greater awareness within the team on the classification of capital and recurrent expenditure. Training has been provided to the team by the Management Accountant on classification of expenditure. In the preparation for the 2019/20 Budget a review was undertaken on capital spend before the budget was finalised. Capital spend is being monitored by the Finance Officer, Business Manager and the Director who has oversight of finances for Education.	Implemented and recommended to be closed.
170	SP 01/19 08/03/2019	St Helena Government - Expenditure	The excess expenditure on Head 26, Environmental and Natural Resources Directorate, for Capital	Financial Secretary	Response June 2019 - Legislative Council resolved at the 8 March 2019 meeting that the Statement of Expenditure in Excess 2017/18 laid as	Implemented and recommended to be closed.

		in Excess 2017/18	Expenditure of £154,190 for the 2017/18 financial year is recommended to be allowed to stand charged to public funds.		SP 46/2018 should stand charged to public funds in accordance with section 106(3) of the Constitution.	
171	SP 01/19 08/03/2019	St Helena Government - Expenditure in Excess 2017/18	The Director of ENRD introduce measures to ensure the correct classification of capital and revenue expenditure when preparing the budget estimates and in the recording of transactions.	Director of ENRD	Response June 2019 - Capital expenditure is now identified when budget submission are being compiled. The Finance Manager supported by the Management Accountant ensures that this exercise is done with relevant budget holders as necessary before the budget estimates are submitted. When capital items are then financed the transactions are taken directly from the capital expenditure budget line. Training has been provided to relevant officers on classification of expenditure.	Implemented and recommended to be closed.
172	SP 01/19 08/03/2019	St Helena Government - Expenditure in Excess 2017/18	The excess expenditure on Head 29, Safeguarding Directorate, for Capital Expenditure of £399 for the 2017/18 financial year is recommended	Financial Secretary	Response June 2019 - Legislative Council resolved at the 8 March 2019 meeting that the Statement of Expenditure in Excess 2017/18 laid as SP 46/2018 should stand charged to public funds in accordance with	Implemented and recommended to be closed.

			to be allowed to stand charged to public funds		section 106(3) of the Constitution.	
1PR	10/02/2014 Updated 7/10/14	SHG Financial Statements 2011/12	The Financial Secretary should improve the timeliness of accounts preparation. Legislative Council should amend the Public Finance Ordinance to require the Financial Secretary to present financial statements to the Chief Auditor for audit within 4 months of year end consistent with the PEFA report of February 2014.	Financial Secretary	<i>Response October 2019 – Corporate Finance continues to work towards an earlier submission date for the financial statements to audit within four months of the year end. Although the financial statements for 2018/19 did not meet this timeline, we plan to put measures in place that will help to meet the four month timeframe for the 2019/20 financial statements.</i>	Accepted – in progress – remain open.
2PR	10/02/2014	SHG Financial Statements 2011/12	The Financial Secretary should continue with plans to introduce accruals based budgeting in time for the 2016/17 budget process.	Financial Secretary	Updated response October 2019 – Introduction date to be agreed as a part of the plan to strengthen the public finance function. Additional resource has been secured in the form of three qualified Management Accountants who will lead on this process. As agreed with Executive Council in June 2018, a review is required to determine the legislative requirements for budgeting and to consider the best method of budgeting that	Accepted – in progress – remain open.

					<p>SHG should adopt that meets legislative requirements and the needs of decision makers. The review will consider the benefits and challenges of cash based, modified cash based and accruals based budgeting and make a recommendation to Executive Council on the best course of action. Importantly the review will determine the recognition criteria of expenditure and revenue for budgeting purposes in accordance with the law for the recommended method. The review will also recommend the legislative and policy changes required to implement the recommended course of action.</p> <p>The review will continue through 2020/21.</p>	
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