



**St Helena
Government**

**ST HELENA GOVERNMENT
RESPONSE TO RECOMMENDATIONS ON THE PUBLIC
ACCOUNTS COMMITTEE IN SESSIONAL PAPER 05/19**

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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 responses to the recommendations in Sessional Paper 05/19 which was adopted by Legislative council in August 2019. This Sessional Paper focused upon Corporate Governance of SHG Group Entities Performance Audit and the 2016/17 Audited Annual Financial Statements for St Helena Currency Fund, Bulk Fuel Installation (BFI) and St Helena National Trust (SHNT).

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	Body/Name of Report	Recommendation	Responsibility	Response	Management's Recommendation
1	Corporate Governance of SHG Group Entities Performance Audit	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.	Financial Secretary	Response October 2019 – management is in disagreement with this recommendation as it currently stands.	Disputed
2	Corporate Governance of SHG Group Entities Performance Audit	Formal performance agreements should be established for each entity and more urgently for those where SHG provides funding.	Financial Secretary	Response October 2019 - ExCo endorsed the Ownership Policy for Wholly Owned State Entities on 21 st November 2019. SHG's Representative on the Board of Directors of each Wholly Owned State Entity will be working with each entity to embed the policy, especially those where SHG provides funding.	Implemented – recommended to be closed.
3	Corporate Governance of SHG Group Entities Performance Audit	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	Financial Secretary	Response October 2019 – this matter is still under consideration by management.	Under consideration – remain open.

No	Body/Name of Report	Recommendation	Responsibility	Response	Management's Recommendation
		representation, independent appointees, and relevant officials.			
4	Corporate Governance of SHG Group Entities Performance Audit	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.	Chief Secretary	Response October 2019 – A substantive response was provided to the PAC at the end of March 2019 by the Chief Secretary that outlined a detailed plan of action for implementing the recommendations where applicable.	Implemented – recommended to be closed.
5	St Helena Currency Fund 2016/17 Audited Annual Financial Statements & Management Letter	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.	Financial Secretary	Response October 2019 – A bill to account for the treatment of a deficit, is scheduled to be laid at the December 2019 Formal Legislative Council meeting.	Implemented – recommended to be closed.
6	St Helena Currency Fund 2016/17 Audited Annual Financial Statements & Management Letter	Through SHG influence on the BOSH Board the Bank should be encouraged to implement the international prepaid card as soon as possible.	Financial Secretary	Response October 2019 – Through representation on the Board SHG has encouraged the BOSH to implement the international prepaid card as soon as possible.	Implemented – recommended to be closed.

No	Body/Name of Report	Recommendation	Responsibility	Response	Management's Recommendation
7	Bulk Fuel Installation (BFI) 2016/17 Audited Annual Financial Statements	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.	Financial Secretary	Response October 2019 – the commissioning of the new BFI is delayed and the final operating model has yet to be confirmed. DFID has commissioned a review and the outcome of this review and the recommendations for the future operating model for the BFI has not yet been finalised. When there is greater certainty and clarity on these critical factors this exercise will be undertaken.	In progress – remain open.
8	Bulk Fuel Installation (BFI) 2016/17 Audited Annual Financial Statements	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.	Financial Secretary	Response October 2019 – DFID has commissioned a review and the outcome of this review and the recommendations for the future operating model for the BFI has not yet been finalised.	In progress – remain open.
9	St Helena National Trust (SHNT) 2015/16 & 2016/17 Audited Annual	SHNT should continue to engage with SHG to progress the four outstanding PAC recommendations from prior periods No. 31, 33, 60 and 61 refers.	SHG/SHNT	Response October 2019 - The Trust is working with the respective departments of SHG with recommendations 31 and 60 having been implemented and substantial	In progress – remain open.

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	Financial Statements			progress made on recommendations 33 and 61.	
10	St Helena Fisheries Corporation (SHFC) 2016/17 Audited Annual Financial Statements	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.	General Manager, SHFC	Response October 2019 – the future operating model for the SHFC is currently under review by a Fisheries Task Group commissioned by Executive Council to review the current model and to identify an alternative operating model.	In progress – remain open.
11	St Helena Fisheries Corporation (SHFC) 2016/17 Audited Annual Financial Statements	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.	General Manager, SHFC	Response October 2019 – the future operating model for the SHFC is currently under review by a Fisheries Task Group commissioned by Executive Council to review the current model and to identify an alternative operating model.	In progress – remain open.
12	St Helena Fisheries Corporation (SHFC)	SHFC develops and implements a risk management framework so as to mitigate the operating	General Manager, SHFC	Response October 2019 – the future operating model	In progress – remain open.

No	Body/Name of Report	Recommendation	Responsibility	Response	Management's Recommendation
	2016/17 Audited Annual Financial Statements	risks and so that management and the Board are reminded of actions that need to be taken for Corporation to be successful.		for the SHFC is currently under review by a Fisheries Task Group commissioned by Executive Council to review the current model and to identify an alternative operating model.	