



**St Helena
Government**

ST HELENA GOVERNMENT

**RESPONSE TO THE PUBLIC ACCOUNTS COMMITTEE
REPORT AND RECOMMENDATIONS IN SP 41/2019 -
MARCH 2020**

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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.

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.

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| 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 |
|-----|-------------------------------|---|--|----------------|---|---|
| 185 | SP 41/19 | St Helena National Trust (SHNT) 2017/18 Audited Annual Financial Statements | Governor in council regulates for the better administration of the new power to appoint an Auditor going forward | Trust Director | <i>Response March 2020 - the St Helena National Trust (Amended) Regulations came into force in January 2020, regulating for the Chief Auditor to be the default auditor appointed at the Trust's AGM.</i> | Implemented – recommended to be closed. |
| 186 | SP 41/19 | St Helena National Trust (SHNT) 2017/18 Audited Annual Financial Statements | In recognising the finite life of the LEMP project, SHNT should plan to ensure remaining works are completed, including Rupert's Valley and Pipe Ridge areas | Trust Director | <i>Response March 2020 - the LEMP project is on budget and target for delivering it's outcomes by closure March 2021. The Director raised concern about the legacy of the project with ENRC in January 2020 and will discuss further with SHG Director of ENRP.</i> | In progress – remain open. |
| 187 | SP 41/19 | St Helena National Trust | The new Director of SHNT should | Trust Director | <i>Response March 2020 - the Director</i> | In progress – remain open. |

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| | | (SHNT) 2017/18 Audited Annual Financial Statements | continue to engage with SHG and work on progressing outstanding PAC recommendation No. 60, in maintaining the long term life of the Island's heritage buildings | | <i>met with the Chief Secretary and agreed that a MoU would be helpful to provide strategic direction to the Trust's working relationship with SHG. This will be taken forward in the new financial year as the Trust refines its Strategy.</i> | |
| 188 | SP 41/19 | St Helena National Trust (SHNT) 2017/18 Audited Annual Financial Statements | SHNT identify their role and responsibilities with regards to public heritage sites and structures, including who is responsible for monitoring and auctioning works; PAC recommendation No. 61 refers | Trust Director | <i>Response March 2020 - the Director met with the Chief Secretary and agreed that a MoU would be helpful to provide strategic direction to the Trust's working relationship with SHG. This will be taken forward in the new financial year as the Trust refines its Strategy.</i> | In progress – remain open. |
| 189 | SP 41/19 | St Helena Government (SHG) 2017/18 Audited Annual | SHG should ensure the Government Landlord Housing capital funds are utilised as a matter of priority, to help | Financial Secretary | <i>Response March 2020 – discussions have taken place to determine the most effective use of these funds that</i> | In progress – remain open. |

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| | | Financial Statements and Management Letter | resolve the present housing crisis | | <i>compliments the DFID Economic Development Investment Programme. It is planned that these funds will be used to develop social housing at the Bottom Woods CDA.</i> | |
| 190 | SP 41/19 | St Helena Government (SHG) 2017/18 Audited Annual Financial Statements and Management Letter | SHG should make a decision at the earliest opportunity as to whether the GBAS will be used or whether it should be returned to the supplier | Financial Secretary | <i>Response March 2020 - an independent assessment has been commissioned to assess future requirements for Nav Aids. The final report with recommendations is awaited which will assist SHG in determining next steps including whether or not the GBAS will be commissioned.</i> | In progress – remain open. |
| 191 | SP 41/19 | St Helena Government (SHG) 2017/18 Audited | The Airport Special Fund Trading Account should capture all airport related costs to give a proper | Financial Secretary | <i>Response March 2020 – agreed to include MET forecasting services costs under the</i> | In progress – remain open. |

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| | | Annual Financial Statements and Management Letter | account of airport related expenditure | | <i>trading account. This will be implemented from the new financial year.</i> | |
| 192 | SP 41/19 | St Helena Government (SHG) 2017/18 Audited Annual Financial Statements and Management Letter | SHG should pursue an effective and reduced expenditure of SHAL by exploring opportunities for a combined fire service, to include the Sea Rescue service | Financial Secretary | <i>Response March 2020 – these considerations will be explored as part of the MTEF process during 2020/21 financial year.</i> | In progress – remain open. |
| 193 | SP 41/19 | St Helena Government (SHG) 2017/18 Audited Annual Financial Statements and Management Letter | SHG should recognise the importance of concluding negotiations to enable the valuation of infrastructure to be undertaken | Financial Secretary | <i>Response March 2020 – SHG recognises the importance of the work but the ability to get this work done is dependent on affordability and prioritisation of SHG's limited resources. SHG is currently in advanced negotiations with a potential valuer and it is anticipated that this</i> | In progress – remain open. |

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| | | | | | <i>work will be conducted in the first quarter of the new financial year pending approval of the budget.</i> | |
| 194 | SP 41/19 | St Helena Government (SHG) 2017/18 Audited Annual Financial Statements and Management Letter | The Financial Secretary should prioritise for action the twenty recommendations, old and new, from the 2017/18 year | Financial Secretary | <i>Response March 2020 – an action plan is in place. In some cases this will depend on the prioritisation and allocation of funding.</i> | In progress – remain open. |
| 195 | SP 41/19 | St Helena Currency Fund 2017/18 Audited Annual Financial Statements | 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; PAC recommendation made in August 2018 refers | Financial Secretary | <i>Response March 2020 – the Currency (Amendment) Ordinance was enacted in December 2019 that made provision for the treatment of a deficit arising at the end of any financial year.</i> | Implemented – recommended to be closed. |

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| 196 | SP 41/19 | St Helena Currency Fund 2017/18 Audited Annual Financial Statements | The Currency Commissioners should ensure compliance with statutory requirements on frequency of meetings by formalising and recording all meetings | Financial Secretary | <i>Response March 2020 – standard quarterly meetings are now taking place and are scheduled for the Commissioners. Ad hoc meetings are also recorded and minuted.</i> | Implemented – recommended to be closed. |
| 197 | SP 41/19 | St Helena Currency Fund 2017/18 Audited Annual Financial Statements | The Commissioners should, on advice of Crown Agents Investment Management Ltd ensure that the fund is protected from adverse market movements | Financial Secretary | <i>Response March 2020 – the Commissioners along with Currency Officers closely monitor performance and security of the fund. CAIML issue to the Commissioners a monthly report on the current state of the markets. These reports are formally considered by the Commissioners at each substantive meeting which is a standard item on their Agenda. However, any immediate issues or areas of concern are highlighted and</i> | Implemented – recommended to be closed. |

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| | | | | | <i>addressed immediately.</i> | |
| 198 | SP 41/19 | St Helena Currency Fund 2017/18 Audited Annual Financial Statements | Through SHG influence on the BoSH Board, the Bank should be encouraged to implement the international prepaid card as soon as possible; PAC recommendation made in August 2018 refers | Financial Secretary and Manager, BoSH | <i>Response March 2020 - the Bank continues to make good progress in this area and are very hopeful that an international pre-paid debit card is introduced within the first quarter of the new financial year.</i> | In progress – remain open. |
| 199 | SP 41/19 | St Helena Currency Fund 2017/18 Audited Annual Financial Statements | The review on the St Helena Pound versus the Sterling Pound be published as a priority, before further costs are incurred in printing notes and coins; PAC recommendation in August 2018 refers | Financial Secretary | <i>Response March 2020 – following the review undertaken and the issues raised within the business community and the wider the community the majority of the critical issues identified related to banking services. SHG in collaboration with the BOSH have made significant progress in improving banking services for</i> | Implemented – recommended to be closed. |

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| | | | | | <i>the business and the Island as whole and further planned and imminent developments will further add to this. It is therefore concluded that the matters that led to the original review have been or are being addressed.</i> | |
| 200 | SP 41/19 | Enterprise St Helena (ESH) – 2017/18 Audited Annual Financial Statements | Further effort needs to be applied on measuring the success of attendance at Trade Fairs | Chief Executive for Economic Development | <i>Response March 2020 – a substantive response is under consideration.</i> | In progress – remain open. |
| 201 | SP 41/19 | Enterprise St Helena (ESH) – 2017/18 Audited Annual Financial Statements | Based on evidence heard, ESH in collaboration with SHG needs to carry out further work on optimising the routing of flights and improving timings for international connections | Chief Executive for Economic Development | <i>Response March 2020 – a substantive response is under consideration.</i> | In progress – remain open. |

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| 202 | SP 41/19 | Enterprise St Helena (ESH) – 2017/18 Audited Annual Financial Statements | Consideration needs to be given as to how skills in the hospitality sector are going to be met in the future | Chief Executive for Economic Development | <i>Response March 2020 – a substantive response is under consideration.</i> | In progress – remain open. |
| 203 | SP 41/19 | Enterprise St Helena (ESH) – 2017/18 Audited Annual Financial Statements | PAC underlines the following previous recommendations: i. No 53 (reported 18/07/2016) – 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 ii. No 104 (reported 01/05/2017 – ESH determines its future intentions with regards to its ownership in Bertrand's cottage as a training facility and standalone business | Chief Executive for Economic Development | <i>Response March 2020 – a substantive response is under consideration.</i> | In progress – remain open. |

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| | | | <p>and a medium term exit strategy should be developed within the next twelve months</p> <p>iii. No 107 (reported 01/05/2017) – ESH during its strategic planning phase set KPIs that are based on outputs and/or outcomes rather than the inputs or activities. Progress against these output/outcomes based KPIs are then expected to be reported in the Annual Report</p> | | | |
| 204 | SP 41/19 | St Helena Fisheries Corporation (SHFC) 2017/18 Audited Annual Financial Statements | A fundamental business review is undertaken and a clear strategy taken forward over the medium term | Financial Secretary | <i>Response March 2020 – following extensive review and appraisal of the operations and business model for SHFC, Executive Council made a decision to close the operations of SHFC on 31 January 2020</i> | Implemented – recommended to be closed. |

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| | | | | | <i>and SHFC is in the process of being wound up.</i> | |
| 205 | SP 41/19 | Equality and Human Rights Commission (EHRC) 2015/16 and 2017/18 Audited Annual Financial Statements | EHRC should solve any tax issue with the Chief Executive Officer and settle the tax liability with the Income Tax Office, plus any overpayment of salary should be deducted from the employee | CEO, EHRC | <i>Response March 2020 -Arrangements have been agreed for the repayment of the tax by the CEO.</i> | In progress – remain open. |
| 206 | SP 41/19 | Equality and Human Rights Commission (EHRC) 2015/16 and 2017/18 Audited Annual Financial Statements | EHRC should look to measure progress and report outcomes against the KPIs as set out in the Strategic Plan | CEO, EHRC | <i>Response March 2020 - We do this and report to Elected Members and the public twice a year. The action plan matrix is updated monthly and shared with SCDC quarterly. To date this has been an informal arrangement but it will be formalised in the Framework Document which is due to come into effect on 1st April 2020.</i> | In progress – remain open. |

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| 207 | SP 41/19 | Equality and Human Rights Commission (EHRC) 2015/16 and 2017/18 Audited Annual Financial Statements | SHG should ensure that Service Level Agreements are implemented as speedily as possible for those entities that have not yet had them | Financial Secretary/CEO, EHRC/Deputy Chief Secretary | <i>Response March 2020 - A framework Document has been developed by the EHRC, the Deputy Chief Secretary and the Deputy Financial Secretary which is now with SCDC and will hopefully be agreed at the next formal LegCo.</i> | In progress – remain open. |
| 208 | SP 41/19 | Equality and Human Rights Commission (EHRC) 2015/16 and 2017/18 Audited Annual Financial Statements | EHRC should ensure accountability for the subsidy through the formality of a Service Level Agreement | CEO, EHRC | <i>Response March 2020 - A Framework Agreement between SHG and the EHRC has been drafted and will be presented to the Social and Community Development Committee on 18 March 2020 for endorsement. The Framework Agreement sets out the responsibilities of both SHG and the EHRC, including</i> | In progress – remain open. |

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| | | | | | <i>financial planning and reporting requirements with specific terms and conditions for the release of SHG funding for use by the EHRC</i> | |
| 209 | SP 41/19 | Equality and Human Rights Commission (EHRC) 2015/16 and 2017/18 Audited Annual Financial Statements | Adequate and effective financial arrangements need to be in place by ensuring at least one member of the team has the relevant financial training and experience | CEO, EHRC | <i>Response March 2020 - we do have staff with experience and qualifications - what we need is training in local law and policy. This has been requested many times. The Principle Accounting Officers responsible for funding in similar UK organisations have extensive training at the Treasury. However we have never had requests for funding for training accepted in any budget round since the EHRC was established.</i> | In progress – remain open. |

