



St Helena
Government

Corporate Finance

Directorate Strategy and Delivery Plan April 2020 – March 2023

Version: Final

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Prepared by: Corporate Finance Senior Management Team

1. Our Vision, Mission and Values:

Our Vision: Saint Helena, a great place to live, learn, work, visit and invest

Our Mission: Improve the lives of all within our community and help the island thrive

Our Values:

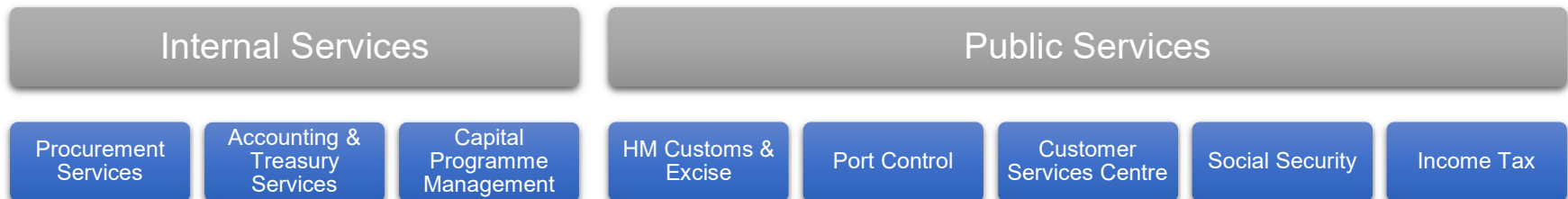
- **Fairness** We act as role models and have fair and consistent standards. We champion equality, inclusion and respect.
- **Integrity** We communicate openly and we are honest and accountable
- **Teamwork** We work together and we support each other

2. The role of the Corporate Finance:

Corporate Finance takes the lead in the effective and efficient management of public finances in St Helena for the long term sustainability and economic growth of the Island and oversees the public financial management framework and controls that ensure that the government is accountable to the Legislature and the public in the management and use of public resources.

This role includes ensuring that our systems and processes facilitates trade and business within the economy, the security and collection of key revenues for the Island and the delivery of frontline services to the public like social security, pensions, registrar services and licensing.

Corporate Finance, through HM Customs & Excise and Port Control, is also responsible for the safety and security of goods and people passing through the two gateways to the Island, by sea and by air, and for ensuring that effective border control measures are in place in collaboration with other border control agencies to protect and safeguard the local community and businesses.



Corporate Finance, together with our partners in other agencies, work towards the provision and execution of our statutory services and obligations under the following legislation:

Legislation and Associated Regulations		
Births and Deaths (Registration) Ordinance 1853	Income Tax Ordinance 2012	Ports Ordinance 2016
Burial Grounds Ordinance 1895	Light Dues Ordinance 1955	Post Office Ordinance 1898
Community Centres Ordinance 1988	Liquor Duty Ordinance 2014	Property Tax Ordinance 2019
Constitution of St Helena, Ascension and Tristan da Cuhna 2009	Marriage Ordinance 2017	Public Finance Ordinance 2010
Currency Ordinance 1975	Merchant Shipping Laws	Road Traffic Ordinance 1985/2016
Customs and Excise Ordinance 1999	Money Laundering Ordinance 2008	Services Tax Ordinance 2011
Dogs and Cats Ordinance 2011	Pensions Ordinance 2012	Social Security Ordinance 2010
Drugs (Prevention of Misuse) Ordinance 2003	Port and Aerodrome (Health) Ordinance 2018	Special Funds Ordinance 2012

3. What we have achieved so far:

Key Revenues and Funding Streams

We have been successful in 2018/19 financial year to sign the Financing Agreement for the Territorial Allocation of the 11th European Development Fund (EDF 11), this was the final step in securing the territory's fund and as a result, €21.5 million was agreed for St Helena to support the delivery of the SHG Digital Strategy through the realisation of the submarine cable to enable faster and more reliable internet connectivity to the Island. This was a significant achievement for the Island recognising the significant benefits that improved connectivity will have within the community including improved health care services, better connectivity, economic and social development as well as addressing issues of isolation.

In first quarter of the 2019/20 financial year the St Helena Government (SHG) and the UK Government agreed a £30 million multi-year Economic Development Investment Programme (EDIP) that aims to grow the Island's future economic prosperity and will include jointly agreeing key on-Island reforms which will promote investment opportunities, build a stronger investment climate and a more resilient infrastructure base whilst preserving and promoting what makes St Helena unique.

We have been successful in recruiting a UK based External funding co-ordinator whose primary objective is to explore and secure alternative sources of funding for St Helena. Our ability to diversify our funding streams for key projects across the Island is important for future financial sustainability and security.

We continue to review our systems and processes in terms of securing key domestic revenues through customs & excise and income tax. During the 2019/20 tax year we have seen greater compliance by employers with the requirements of the Income Tax Ordinance by submitting tax documents and paying the tax by the due dates and in terms of self-employed businesses and companies there has also been some improvement in compliance. In 2018/19 financial year there were 14 new companies registered, 38 self-employed businesses and so far for 2019/20, 2 new companies and 25 self-employed businesses have registered. This means that we continue to see the work of the Income Tax Office grow year on year.

Public Financial Management Reform

During mid 2018/19 financial year a Fiduciary Risk Assessment (FRA) was carried out to assess financial management practices on St Helena and to identify fiduciary risks that need to be managed. The overall level of fiduciary risk was determined as moderate which meant that the PFM framework is broadly in line with international good practice and reflects St Helena's status as a 'small island' economy.

As a result of the 2018 FRA a revised PFM Reform Programme was developed and agreed to address the matters raised under the FRA. We are committed to the implementation of the Programme and we have made substantial progress toward the improvements outlined within the Programme. These improvements include review of the MTEF process, training and development of staff on informal training and formal professional studies through ACCA for finance and accountancy and CIPS for procurement, recruitment of a Finance Business Manager to strengthen financial management expertise at Board level for state owned entities and Executive Council recently approved SHG's Ownership policy for wholly owned state entities.

Further to this we have implemented the Intend System which is now SHGs e-procurement system rolled out for Medium and High Procurements. Over 300 local and international suppliers are now registered on the system and growing daily. All Medium and High Risk Contracts are now loaded onto the Contract Management module.

Customer Service

Traditionally, Corporate Finance is seen as a support service providing financial advice and support to other frontline directorates along with other colleagues in Corporate Services. However, many of the services we provide are front facing and in most cases we deal directly with the public. It is because of this that we have over the past year actively strived to improve and streamline the

services we provide to enhance the customer experience and how we interact with businesses both local and international and the public.

We believe it is important for our customers to receive an efficient and timely service, regardless of whether they are internal or external customers to SHG and during the past year we have worked to make improvements in this area. The Social Security Office, for example has expanded their office space into an open plan office with two adjacent interviewing room enabling more efficient service to the public and importantly protecting confidentiality and privacy of clients recognising that many of our clients are vulnerable members of society.

In terms of payment facilities at frontline services, over the past year we worked with colleagues at the Bank of Saint Helena Ltd and SHG directorates to introduce the local debit card service as an alternative means for payment for services within key service points of the business. To date we have been able to offer the local debit card service at HM Customs on the Wharf and at St Helena Airport, the Post & Customer Services Centre and the Health Directorate.

We have listened to customer feedback in terms of the deficiencies in the airmail service since the introduction of regular air services to the Island. It has proven to be a real challenge finding a suitable, secure and affordable route for outgoing and incoming mail. We have been successful in securing an efficient and faster outgoing airmail service which has been received positively by the community but there still remains difficulties with regard to incoming airmail which is being actively pursued by P&CSC management.

[Facilitating Business and Trade and Social Policies](#)

We continue to explore ways to support and facilitate business and trade on the Island through the Tax & Revenue Working Group.

At the beginning of 2019/20 financial year, the Investment Tax Credit scheme was closed and was replaced by the new Approved Investment Scheme to provide customs duty reductions or payment deferrals to any investment on St Helena which particularly contributes to the Island's economic, environmental and social welfare.

Changes were also made to Self-Employed and Corporation Income Tax rates to incentivise export and import substitution activities and incentivise charitable giving. The Introduction of a charge on Commercial Properties which are empty over nine months of the year was also introduced to stimulate and increase the supply of commercial property available for rent.

In terms of our support to social policies, through the Social Security Office we continued to support the six monthly review of the Minimum Income Standard for the adjustment of Income Related Benefit and Basic Island Pension. The adjustments and subsequent payment of benefits for over 900 individuals and households on St Helena were implemented swiftly by the team to ensure that

recipients were able to benefit from the increase as soon as possible. The Exemption of Medical Fees Policy and the bigger Social Welfare Review work was also heavily supported throughout the process.

4. Where we want to be:

Our vision is to strengthen governance, oversight, skills and capability across the public service in the effective and efficient management and use of public resources in the delivery of services, providing assurance to key stakeholders through robust governance systems and assurance processes. We want to ensure that officers at all levels have access to the appropriate level of support and training needed to effectively manage the resources that have been entrusted to them and to be cognisant of the financial impact of the decisions that they make on a daily basis. This will be achieved through the implementation of the PFM Reform Programme and we are committed to implementing the improvements and initiatives within there.

We would like to see for all areas of Corporate Finance greater alignment with agencies and bodies where there are similar skills and objectives and where greater sharing of knowledge and skills can be achieved. Centralisation of finance and procurement services will also form part of this work.

With the advent of greater connectivity on the Island and with the rest of the world, the digitisation and expansion of our current system to allow the public and businesses to process transactions directly online with SHG will be a substantial move forward in facilitating business and trade on the Island. We want to streamline our processes and digitise our systems as far as possible so that the delivery of our services are more timely and focussed on the needs of our customers. This will include developing the current Asycuda system for customs processes, the digitisation of tax and the Post & Customer Services Centre as an effective and efficient one-stop-shop that meets the changing needs of the Island.

In terms of revenues, we recognise that securing our current revenue streams and maximising revenue generating opportunities will be critical to the development of the Island in the financing public services and we will continue to work towards this.

Sections 5 and 6 gives greater clarity on how we plan to achieve this and how we plan to measure its success.

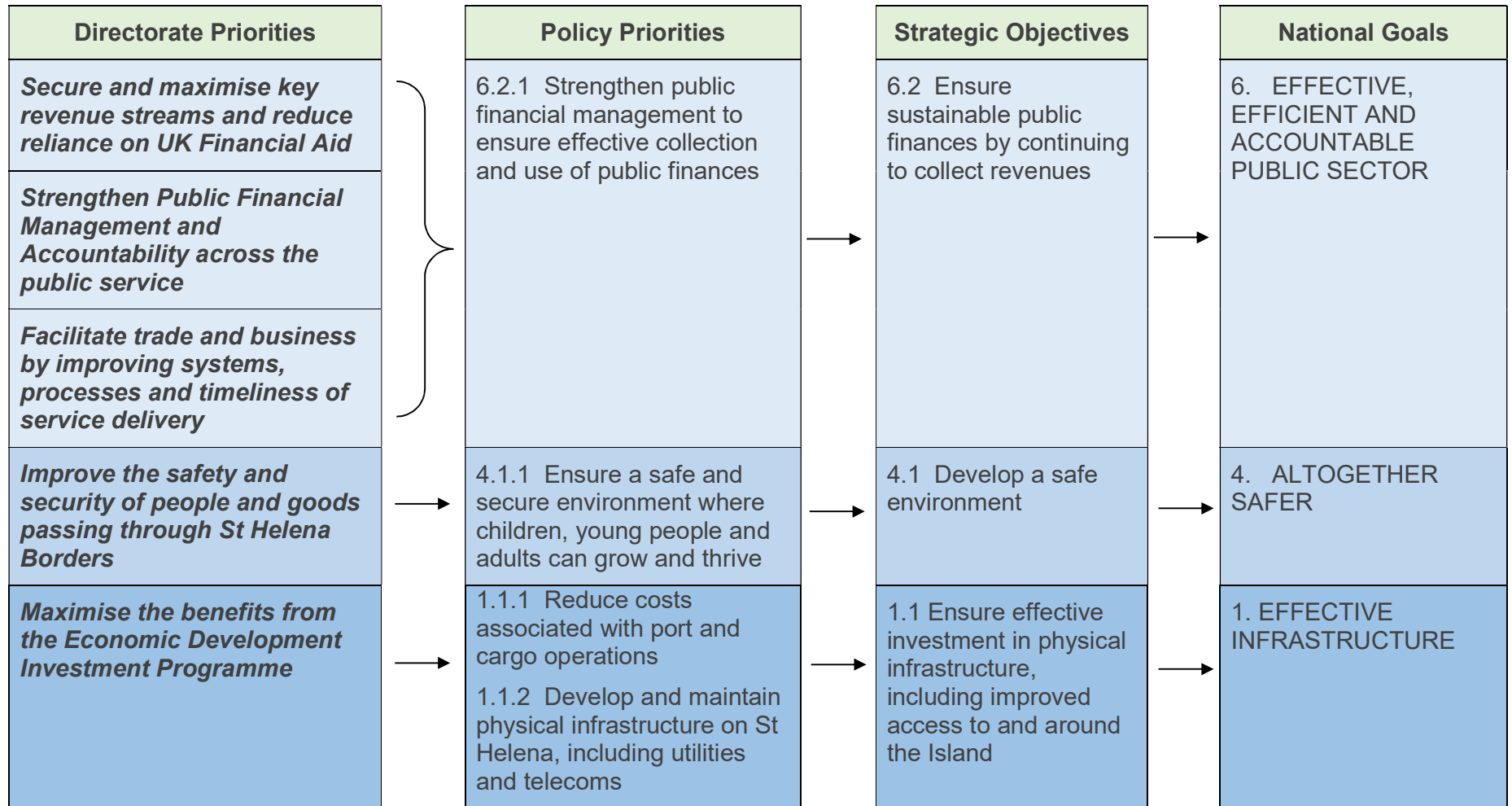
5. How we will achieve this:

The Corporate Finance has five Directorate Priorities which will support the delivery of our Strategic Goals and the achievement of our Strategic Objectives and Policy Priorities and meet the needs of the communities we serve. Each element of this Directorates activity will be aligned to at least one of the Strategic Goals and all our activity will be underpinned by our values.

DIRECTORATE PRIORITY ONE Secure and maximise key revenue streams and reduce reliance on UK Financial Aid	DIRECTORATE PRIORITY TWO Strengthen Public Financial Management and Accountability across the public service	DIRECTORATE PRIORITY THREE Facilitate trade and business by improving systems, processes and timeliness of service delivery
DIRECTORATE PRIORITY FOUR Improve the safety and security of people and goods passing through key points of entry	DIRECTORATE PRIORITY FIVE Maximise the benefits from the Economic Development Investment Programme	

Each of these priorities covers a range of Directorate activity which is set out in more detail in the Delivery Plan in Section 6.

The diagram below shows how each Directorate Priority is linked to our Strategic Objectives and Strategic Goals (and to our Policy Priorities where applicable):



6. Corporate Finance Delivery Plan

Directorate Priority 1: <i>Secure key revenue streams and maximise revenue generating opportunities to reduce reliance on UK financial aid</i>						
Action	Owner	Performance Indicator	Baseline	Target		
				2020/21	2021/22	2022/23
Implementation of tax and revenue strategy for SHG	Deputy Financial Secretary	1. % of domestic revenue share of total revenue for the year.	2019/20 baseline of 32.0%	29.0%	TBD annually following the MTEF process and settlement for financial aid.	TBD annually following the MTEF process and settlement for financial aid.
Review the effectiveness of our Philatelic Service to increase revenue	Post & Customer Services Manager					
Expand the Shipping Registry services	Post & Customer Services Manager					
Review the effectiveness of our Philatelic Service to increase revenue	Post & Customer Services Manager					
Review effectiveness of Tax Administration and implement Tax Compliance function	Assistant Commissioner of Income Tax					
Expand the companies registry service	Chief Economist					
Implementation of Post Clearance Audit and Risk Management functions in HMCE	Head of Customs					
Secure alternative sources of revenue for specific projects and programmes	Financial Secretary	2. % of external funding (other than Financial Aid) secured against total revenue (recurrent + project)	TBD	TBD	TBD	TBD

Directorate Priority 2: Strengthen Public Financial Management and Accountability across the public service						
Action	Owner	Performance Indicator	Baseline	Target		
				2020/21	2021/22	2022/23
Produce timely IPSAS compliant Financial Statements for SHG	Head of Finance Services	3. No. of months to sign off the Financial Statements and the no. of qualifications on the SHG Financial Statements	2019/20 – SHG FS 2018/19 signed off in 12 months with 2 qualifications (1 on regularity and the other on fair presentation)	SHG FS 2019/20 signed off within 12 months of the end of the financial year with an unqualified audit opinion	SHG FS 2020/21 signed off within 12 months of the end of the financial year with an unqualified audit opinion	SHG FS 2021/22 signed off within 12 months of the end of the financial year with an unqualified audit opinion
Strengthen financial planning and budgetary controls	Deputy Financial Secretary	4. Aggregate recurrent expenditure out-turn compared to original approved budget.	2019/20 baseline of -4.1%	Less than 2.5% deviation over the fiscal year	Less than 2.5% deviation over the fiscal year	Less than 2.5% deviation over the fiscal year
		5. Aggregate domestic recurrent revenue out-turn compared to original approved budget	2019/20 achieved +2.4%	Less than 2.5% deviation over the fiscal year	Less than 2.5% deviation over the fiscal year	Less than 2.5% deviation over the fiscal year
Implement action plan to address Public Accounts Committee, Internal Audit and External Audit Recommendations.	Deputy Financial Secretary	6. % of PAC recommendations implemented within the year.	Baseline is 66 recommendations at March 2020 for which SHG is responsible for implementing	56/66 = 85%	TBD Baseline to be reset each year	TBD Baseline to be reset each year

		7. % of Internal Audit recommendations implemented within the year.	Baseline is 27 recommendations	15/27 = 56%	TBD Baseline to be reset each year	TBD Baseline to be reset each year
		8. % of External Audit financial statement recommendations implemented within the year.	Baseline 2018/19 Management Letter is 20 recommendations	12/20 = 60%	TBD Baseline to be reset each year based on latest Management Letter	TBD Baseline to be reset each year based on latest Management Letter
Drive VFM and savings through strategic planning, adoption of commodity plans and use of collaborative procurement which takes into account delivery performance and whole life costing.	Corporate Procurement Executive	9. Meeting key milestones within the implementation plan.	N/a	Set up performance Report on In-tend Data Entry on In-tend Adoption of commodity strategies	N/a Indicator will change to measure savings following implementation of the new process.	N/a Indicator will change to measure savings following implementation of the new process.
Ensure that best practice is adopted and leakage, financial operation and legal is mitigated through regular review of procurement regulations, directorate training and compliance testing.	Corporate Procurement Executive	10. Meeting key milestones within the implementation plan.	N/a	Recruitment of a Contract Manager Legal review of the Procurement Regulations Procurement Training provided and scheduled on a monthly basis Establish QROPS report (Quarterly Review of Procured Spend)	Utilisation of POP (Purchase Order Processing) Module and Commodity reporting to be implemented allowing compliance tracking of Commodity Strategy	N/a Indicator to be review and revised.

Directorate Priority 3: <i>Facilitate trade and business by improving systems, processes and timeliness of service delivery</i>						
Action	Owner	Performance Indicator	Baseline	Target		
				2020/21	2021/22	2022/23
Assess and award applications for Basic Island Pension, Income Related Benefits and Unemployment allowances in line with the law, policies and procedures.	Claims Manager	11. % of claimants who qualify for benefits receive their entitlement within 1 week of application.	100%	100%	100%	100%
Secure an efficient and faster incoming airmail service to the Island.	Post & Customer Services Manager	12. Customer Satisfaction survey on the services provided by the P&CSC	N/a	Overall average rating of 'satisfactory' or above.	N/a	TBD
Enhance the current services provided by P&CSC to ensure an effective one-stop-shop for the public.						
Digitise the income tax records and manual processes through a reform programme.	Assistant Commissioner of Income Tax	13. Meeting key milestones within the implementation plan.	Project scoping completed	N/a	Project defined and agreed. Project funding identified. Project commencement	Project completed and implemented by 1 April 2022

Directorate Priority 4: <i>Improve the safety and security of people and goods passing through St Helena Borders</i>						
Action	Owner	Performance Indicator	Baseline	Target		
				2020/21	2021/22	2022/23
Support the transition of port and cargo operations to Rupert's	Harbour Master	14. Meeting key milestones within the implementation plan.	TBD	TBD	TBD	TBD

Implement risk management function and Assurances function	Head of Customs	15. Meeting key milestones within the implementation plan.	Risk Management and Assurances Function not yet in place.	Staff for key roles to be identified. Identify risks in relation to 1) Customs' systems and processes 2) Operation of systems and processes. Design and implement Assurance records	Roll out training required. Highlight key risk areas to focus on. Review Assurances records process	Finalise defined policy and processes for identifying, implementing and reviewing risk management within Customs function.
Continuously review threat and risk management and assurances strategies for Customs	Head of Customs	16. Meeting key milestones within the implementation plan.	No threat and risk management strategy currently in place.	Identify key threats Identify priorities and tasks for specific Officers to be accountable for.	Customs strategy document to be developed	Quarterly review of strategy document (including Assurances) by Head of Customs, to include quarterly meeting to discuss document with Senior Management Team.
Develop and deliver an Initial Customs Training course (to include TTT) and develop a refresher training programme.	Head of Customs	17. Meeting key milestones within the implementation plan	No basic training programme or structure in place for staff (other than ASYCUDA training).	Continue negotiations to secure UK Border Force training resources. Secure funding in principle through SHG TC budget	Delivery of basic training in key operational areas e.g. container searching, notebook completion, statement writing.	Identify Officer to complete Train the Trainer (TTT) course, giving Customs capability to conduct all future Initial Customs courses in- house by local Customs Officers.

					Develop a refresher training programme.	
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Directorate Priority 5: <i>Maximise the benefits from the Economic Development Investment Programme</i>						
Action	Owner	Performance Indicator	Baseline	Target		
				2020/21	2021/22	2022/23
Strengthen governance arrangements, financial control and oversight for EDIP	Capital Programme Manager	18. % annual deviation of programme outturn against original budget.	2019/20 baseline of 124.0%	Less than 2.5% deviation over the fiscal year	Less than 2.5% deviation over the fiscal year	Less than 2.5% deviation over the fiscal year
Develop longer term programme for EDIP ensuring that the benefits of EDIP are met.	Capital Programme Manager	19. Annual review undertaken by DFID of EDIP performance against objectives.	2019/20 baseline of overall rating TBC	Overall rating of A or higher	Overall rating of A or higher	Overall rating of A or higher
Ensure the alignment of individual projects to the EDIP objectives and outcomes.						
Ensuring VFM and improvements in service outputs under EDIP by support to the delivery of goods and services.	Corporate Procurement Executive	20. Savings or efficiency gains as a %age of overall EDIP.	TBD	TBD	TBD	TBD

7. Financial projections:

The table below shows Corporate Finance's financial projections for the financial year 2020/21 with a summary of outputs linked to budget submissions. Links are also made to Directorate Priorities and Strategic Policy Priorities where relevant.

Outputs	Budget Cost Centre	2020/21 £'000	Directorate Priority (<i>and Strategic Policy Priority if applicable</i>)
Accounting Services	17-1705	397,000	DP 2 Strengthen Public Financial Management and Accountability across the public service
Procurement Services	17-1712	44,000	DP 2 Strengthen Public Financial Management and Accountability across the public service
HM Customs & Excise	17-1701	272,000	DP 1 Secure key revenue streams and maximise revenue generating opportunities to reduce reliance on UK financial aid DP 4 Improve the safety and security of people and goods passing through St Helena Borders
Income Tax Office	17-1704	62,000	DP 1 Secure key revenue streams and maximise revenue generating opportunities to reduce reliance on UK financial aid
Administration of Social Benefits	17-1703	81,000	DP 3 Facilitate trade and business by improving systems, processes and timeliness of service delivery
Customer Services Centre	17-1711	180,000	DP 3 Facilitate trade and business by improving systems, processes and timeliness of service delivery
Port Control	17-1710	218,000	DP 4 Improve the safety and security of people and goods passing through St Helena Borders
Programme Management Unit	17-1713	34,000	DP 5 Maximise the benefits from the Economic Development Investment Programme
Total Funding		1,288,000	

8. Workforce plan:

Corporate Finance recognises that our success in delivering our Strategic Goals and achieving our Strategic Objectives and Policy Priorities depends on having the right number of people with the right skills, experiences, and competencies in the right jobs at the right time.

The Directorate's 5-Year Workforce (Action) Plan is an internal document which underpins this Directorate Strategy and Delivery Plan.

9. Risk Management and Mitigation

Corporate Finance's Risk Register is shown as an Appendix to this Directorate Strategy and Delivery Plan.