



**St Helena  
Government**

**ST HELENA GOVERNMENT**

**ST HELENA GOVERNMENT'S RESPONSE  
TO THE PUBLIC ACCOUNTS COMMITTEE  
REPORT AND RECOMMENDATIONS IN SP 35/2020 –  
NOVEMBER 2020**

**ST HELENA GOVERNMENT'S RESPONSE TO THE PUBLIC ACCOUNTS COMMITTEE REPORT AND RECOMMENDATIONS  
IN SP 35/2020 – NOVEMBER 2020**

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.

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

No	Date Reported to Legco by PAC	Body/Name of Report	Recommendation	Responsibility	Response	Management's Recommendation
1	SP 35/20	Performance Audit Report: Procurement of the Sea Freight Contractor	SHG ensure performance management of all public services delivered under contract, including the sea freight service contract, are provided with dedicated attention.	Financial Secretary	Response November 2020 - SHG has just appointed a Contract Manager to will review the various contracts across the service to ensure we are able to achieve best VFM.	Accepted
2	SP 35/20	Performance Audit Report: Procurement of the Sea Freight Contractor	SHG ensure future specifications and contract terms include provisions that recognise, critical dependencies and milestones on related projects may not be completed at the time of awarding and contracting with suppliers, and therefore protect the public purse from excessive damages.	Financial Secretary	Response November 2020 - Agreed – this will be factored into future planning	Accepted

No	Date Reported to Legco by PAC	Body/Name of Report	Recommendation	Responsibility	Response	Management's Recommendation
3	SP 35/20	Performance Audit Report: Procurement of the Sea Freight Contractor	SHG ensure necessary work to complete the Rupert's wharf for operational cargo handling be concluded as soon as possible, to reduce ongoing alternative offloading costs (barging of containers from Rupert's wharf).	Financial Secretary	Response November 2020 - Agreed – it is anticipated the cargo handling facility will be completed by the end of the 21/22 FY	Accepted
4	SP 35/20	Performance Audit Report: Procurement of the Sea Freight Contractor	SHG ensure future sea freight contract specifications are reviewed at the contract break-point and include capability for the ship to offload in open water when docking facilities are out of use.	Financial Secretary	Response November 2020 - Agreed in principle	Accepted
5	SP 35/20	Performance Audit Report: Procurement of the Fuel	SHG provide for another awareness campaign around local supplier registration on the	Financial Secretary	Response November 2020 - In principle this sounds Ok – but it would be good to understand the background for the recommendation.	Accepted

No	Date Reported to Legco by PAC	Body/Name of Report	Recommendation	Responsibility	Response	Management's Recommendation
6	SP 35/20	Performance Audit Report: Procurement of the Fuel Management Contractor	SHG conclude the current phase 2 contract with the Fuel Management Contractor and negotiate a new contract for the substantive phase 3 fuel service management contract, due to the delays in commissioning the new BFI and potential changes in the fuel system.	Financial Secretary	<i>Response November 2020 - Agreed this has already been actioned.</i>	Accepted - Recommend closing
7	SP 35/20	Performance Audit Report: The Jamestown Hospital Refurbishment Project	SHG ensure there are clear reporting lines between Site Managers, the Project Management Board and senior SHG officials. Officials on	Financial Secretary	<i>Response November 2020 - Agreed – a fit for the future review of project management will make recommendation for</i>	Accepted

No	Date Reported to Legco by PAC	Body/Name of Report	Recommendation	Responsibility	Response	Management's Recommendation
8	SP 35/20	Performance Audit Report: The Jamestown Hospital Refurbishment Project	Within each project there should be sufficient funds allocated to match the specific expertise needs within that project.	Financial Secretary	Response November 2020 - Agreed – the FFTF review has highlighted options to ensure correct resourcing is identified and engaged at the relevant project stage.	Accepted
9	SP 35/20	Performance Audit Report: The Jamestown Hospital Refurbishment Project	SHG commission an analysis looking at the financial impact of the refurbishment and what cost savings have been realised as a result, with regards to whether Value for Money has been achieved.	Financial Secretary	Response November 2020 - Will be considered in the wider programme of activities and the allocation of scarce resources	Accepted

No	Date Reported to Legco by PAC	Body/Name of Report	Recommendation	Responsibility	Response	Management's Recommendation
10	SP 35/20	Performance Audit Report: The Jamestown Hospital Refurbishment Project	SHG prepare an asset management plan, for all directorates, that address the strategic assets replacement and maintenance scheduling needs of the island.	Financial Secretary	Response November 2020 - Agreed – this is in progress with an Asset management system anticipated to be purchased in the 20/21 FY	Accepted
11	SP 35/20	Performance Audit Report: The Jamestown Hospital Refurbishment Project	SHG train Infrastructure & Transport Works staff to enable them to carry out maintenance on the oxygen plant to mitigate the risk associated with the current ad-hoc arrangements.	Financial Secretary	Response November 2020 - A contractual arrangement has been secured for the maintenance of the existing oxygen plant.	Accepted
12	SP 35/20	Performance Audit Report: The 1,2,3 Main Street Hotel Development	SHG through Enterprise St Helena investigate the possibility of establishing a Hotels Regulator or otherwise commissioning an	Financial Secretary	Response November 2020 - This is not a priority for SHG, ESH will come to a close in March 2021.	Accepted

No	Date Reported to Legco by PAC	Body/Name of Report	Recommendation	Responsibility	Response	Management's Recommendation
13	SP 35/20	Performance Audit Report: The 1,2,3 Main Street Hotel Development	SHG urgently begin work on developing the exit strategy including forecasting a range of possible scenarios for the next 24 months so that Executive Council can make an informed decision over the future funding of the Hotel and determine a desired reserve price to help inform its future sale.	SHG Finance Business Manager	Response November 2020 - SHG remains committed to releasing the Hotel to the private sector, at the earliest opportunity. Due to Covid-19, this is unlikely to occur before 2022. Meanwhile SHG remains committed to funding the Hotel as an essential part of the Islands' tourism infrastructure.	Accepted
14	SP 35/20	Performance Audit Report: The 1,2,3 Main Street Hotel Development	SHG include a statement in its State Owned Entities ownership policy to ensure that unfair competition with local	SHG Finance Business Manager	Response November 2020 - This could be considered by ExCo, when SHG's Policy for Wholly Owned Entities comes up for	Accepted



No	Date Reported to Legco by PAC	Body/Name of Report	Recommendation	Responsibility	Response	Management's Recommendation
			merchants or individuals does not occur.		review, in November 2022. <i>In the meantime it would be helpful to be provided with the evidence that's supports the inference of unfair competition.</i>	
15	SP 35/20	Performance Audit Report: The 1,2,3 Main Street Hotel Development	SHG ensure future projects have appropriate mitigation strategies for all financial risks, including effective foreign currency hedging strategies and ensure they have the budget for these mitigations.	SHG - IEG	Response November 2020 - Agreed.	Accepted
16	SP 35/20	Performance Audit Report: The 1,2,3 Main Street Hotel Development	SHG establish an Appointments Authority responsible for recruiting members to the boards of its State Owned Entities.	SHG Finance Business Manager	Response November 2020 - This could be considered by EXCo, when SHG's Policy for Wholly Owned Entities comes up for review, in November 2022. <i>In the meantime it</i>	Accepted

No	Date Reported to Legco by PAC	Body/Name of Report	Recommendation	Responsibility	Response	Management's Recommendation
17	SP 35/20	Performance Audit Report: The 1,2,3 Main Street Hotel Development	SHG align the policies in its Labour Market Strategy with the treatment of employees of the entities it owns, so that the impacts of restructuring such entities do not have detrimental impacts for the wider economy.	SHG Finance Business Manager	Response November 2020 - Section 4 of the SHG's Ownership Policy for Wholly Owned State Entities is helpful in this regard.  Of course, any gaps in respect of current employment protections are a matter for our legislators who have the power to improve the protections currently afforded to employees in St Helena by the ERO2010.	Accepted

No	Date Reported to Legco by PAC	Body/Name of Report	Recommendation	Responsibility	Response	Management's Recommendation
18	SP 35/20	Performance Audit Report: The 1,2,3 Main Street Hotel Development	<p>SHHDL issue a written communication with SHG as shareholder outlining:</p> <p>a) The details and impacts of the business improvement plan</p> <p>b) A range of forecast financial projections, including the best and worst case scenarios given the current air travel restrictions</p> <p>c) The options it is currently considering for the Hotel operations over the next 24 months.</p>	SHHDL-Board	<p>Response November 2020 - Following the exploration of prospects and plans with Executive Council in September, the Board of SHG issued the communication below in October 2020.</p> <p><u>"After careful consideration, the Directors of St Helena Hotel Development Limited have decided for the Mantis Hotel to remain closed until further notice. The Directors have agreed with Mantis Group to re-open the Hotel once international tourists are confident to travel to and holiday in St Helena, and once the Island regains its confidence</u></p>	Accepted

No	Date Reported to Legco by PAC	Body/Name of Report	Recommendation	Responsibility	Response	Management's Recommendation
					<p><u>once international tourists are confident to travel to and holiday in St Helena, and once the Island regains its confidence to welcome them here.</u></p> <p><u>The Mantis Hotel was built for international tourists and whilst the international travel landscape remains in a state of uncertainty and quarantine restrictions for visitors to the Island are in place, an exact date for reopening is still to be determined.</u></p> <p><u>However, the Directors have agreed with Mantis Group that it would be prudent to forecast a re-opening in time for St Helena's peak tourist season of 2021/22.</u></p>	

