



**St Helena  
Government**

**ST HELENA GOVERNMENT**

**AUDIT ST HELENA  
STRATEGY AND DELIVERY PLAN  
APRIL 2022 – MARCH 2025**



**AUDIT ST HELENA**  
External Auditors

## Audit St Helena

# Strategy and Delivery Plan April 2022 – March 2025

Version: Final

Updated: 23 March 2022

Prepared by: Brendon Hunt – Chief Auditor

Endorsed by: Public Accounts Committee

## Contents

1. The role of the Chief Auditor and Audit St Helena .....	1
2. Strategic Objectives .....	1
2.1. Improving operational delivery .....	2
2.2. Developing the audit practice .....	2
2.2.1. Reforming audit legislation .....	3
2.2.2. Reviewing our financial audit methodology .....	4
2.2.3. Embedding our performance audit methodology.....	4
2.2.4. Building sustainable capacity and capability in the audit team .....	4
2.2.5. Improving our information systems .....	5
3. Strategic Priorities.....	6
4. Operational Delivery Plan .....	8
5. Financial Estimates.....	12
6. Workforce Plan .....	14
7. Risk Management and Mitigation.....	16
8. Approval .....	16

## **1. The role of the Chief Auditor and Audit St Helena**

The Chief Auditor is the statutory external auditor for St Helena and Ascension and is mandated under the Constitution and applicable law to audit the accounts of government and other statutory bodies in St Helena and Ascension. These audits are undertaken as professional engagements in accordance with auditing standards and extend to:

- Financial audits of published financial statements
- Performance audits of value for money in the use of public resources

The Chief Auditor is able to perform this work through staff employed in Audit St Helena or may engage qualified accountants to perform work on his behalf. The Chief Auditor may also provide audit or accountancy services either to government or other bodies provided that the work will not interfere with his statutory duties.

The Chief Auditor will also discharge other statutory functions including providing advice to the Public Accounts Committee (PAC) and generally promoting accountability in the public administration in St Helena and Ascension.

Recognition is given to the previous Chief Auditor who retired in the second half of 2021. The previous Strategic Plan for the period 2022-2024 details the achievements made during his tenure. Strategic objectives included in that plan have been carried forward to this plan to ensure continuity for the office as a whole.

## **2. Strategic Objectives**

The work of Audit St Helena directly supports the statutory responsibilities of the Chief Auditor – these being:

- Audit of published financial statements under section 29(1) of the Public Finance Ordinance and other laws;
- Audit value for money in the use of public resources under section 29(2) of the Public Finance Ordinance;
- Advice and support to the PAC under section 111(1)(b) of the Constitution;
- Generally promoting accountability in the public administration of St Helena under section 111(1)(a) of the Constitution.

These statutory objectives directly underpin the National Goal 6: an Effective, Efficient and Accountable Public Sector.

## **2.1. Improving operational delivery**

The COVID-19 pandemic resulted in vacancies in key qualified positions in 2020 resulting in (together with other contributing factors) an extended reporting timeframe in 2020/21 of financial statements having a 31 March 2020 year end. It was hoped that the reporting timetable could be bought forward in 2021/22 but vacancies have resulted in a delay of the preparation of the Government accounts. Audit St Helena has however met its 2020/21 objective of creating capacity within the office to meet its forward looking statutory financial reporting requirements.

Whilst the capacity in the financial audit team have been resolved the performance audit team has been affected by the departure of key team members. The Strategic Performance Audit plan had envisaged that strategic topics would be investigated by the Performance Audit Team over the next three years. A constant vacancy has been the post of the Performance Audit Manager. The Strategic Audit Plan details how the post can be filled via funding from the local audit cadre supplemented by a draw down on reserves.

We will also maintain a focus on delivering timely reporting with improved project management from concept through production to reporting stage. PAC scrutiny of more current issues as a consequence of more timely financial and performance audit reporting will provide for a more effective public accountability process.

## **2.2. Developing the audit practice**

The development of Audit St Helena as a professional practice is essential to enable the Chief Auditor to meet his statutory responsibilities. As noted in the section above tangible progress is already evident in building sustainable capacity and capability in the statutory audit function in St Helena. But more is required to get the audit function where it needs to be and this practice development priority will entail sustained investment in:

- Training and development of our team to ensure we have the technical competencies and range of skills appropriate to the professional work that we are undertaking.
- Systems, processes and methodologies to ensure that our audit work is efficient and effective and compliant with required standards, guidance and statutory requirements.

The CSSF funded project to strengthen audit and parliamentary oversight across the UK Overseas Territories has been granted an extension to 31 March 2022 with the possibility of a further extension to March 2024. The publication of the Good Practice Guidance

for Public Financial Oversight in February 2017 with implementation supported through the Phase I technical assistance project aligned well with practice development priorities of Audit St Helena. Whilst there is still more to be done to realise the expectations in the Good Practice Guidance it remains a useful benchmark and driver for further change in the forward strategic plan.

The previous strategic plan outlined some specific practice development priorities which were deferred in implementation and therefore will continue forward in this new strategic planning period:

- Reforming audit legislation
- Reviewing our financial audit methodology
- Embedding our performance audit methodology
- Building sustainable capacity and capability in the audit team

**These strategic development priorities are further explained below:**

### **2.2.1. Reforming audit legislation**

To reform the current audit legislation to meet the INTOSAI Level-1 Founding Principles it was previously proposed that section VII of the Public Finance Ordinance be repealed and a dedicated Public Audit Ordinance be introduced for approval by Legislative Council. The proposed reform will enable St Helena to meet the INTOSAI principles and encode the best practice guidance published for the UKOTs. Consequential amendments to the statutory audit provisions in the Constitution were also proposed. The required amendments to the Interpretation Ordinance (updating the definition of an audit and reference to the ISAs) and the Special Fund Trading Account (establishing independent financial arrangements for Audit St Helena) will also be addressed during this legislative update process.

The 2018 concept paper proposing reform of the audit legislation received full stakeholder support and was assigned high priority for development of an Audit Bill for consultation and implementation. This development priority has been given renewed emphasis in the current strategic plan. Proposals from AG Chambers have indicated that only limited amendments are needed but these proposed amendments would not fulfil the objectives of the INTOSAI Level-1 Principles. Consultation is needed to come to a decision as how to achieve the INTOSAI Level-1 Principles objectives in a manner that is legislatively practical.

### **2.2.2. Reviewing our financial audit methodology**

To ensure operational compliance, realise the technical benefits of the new approach, and enable optimum audit efficiency, sustained investment will be required to support the team and embed the UKOT financial audit approach and CaseWare documentation. In February 2021 the NAO released an update to the UKOT Financial Audit Manual under phase II project scope. This provides an ideal opportunity to review experience with our CaseWare audit documentation and identify efficiencies in the current audit process. The qualified resource that was appointed for this project provided maternity cover for a period of six months during the 2021/22 financial year. This project has therefore been deferred to the 2022/23 financial year with the concurrent draw down on reserves occurring in this year.

### **2.2.3. Embedding our performance audit methodology**

Regaining the previous momentum on our performance audit programme is a key part of this strategy. The preparatory work performed during the WAO secondment in developing the UKOT performance audit methodology for local application need to be applied across the programme and embedded in scoping, planning, fieldwork and reporting. There is evident need for expert leadership in shape of a Performance Audit Manager to drive this programme and enable coaching and development of team members in preparation for local succession. This would need to occur in tandem with the appointment of permanent staff members to whom skills could be imparted.

As part of the 2022/23 budgeting process a bid was made for TC support for the appointment of a Performance Audit Manager. Recognising that this bid has been denied in the past the Strategic Plan proposes that this appointment will occur through the utilisation of the accumulated reserve. External UK audit offices were approached in 2021 for this purpose but staff members of these bodies were not willing to travel during the pandemic. The offer will be repeated in financial year 2022/23 and extended to Audit New Zealand. The portion of the remuneration package that exceeds local terms will be funded from the Accumulated Reserves of the Trading Account.

### **2.2.4. Building sustainable capacity and capability in the audit team**

Continued investment in internal training and development is required to reduce reliance on imported resources and to build internal capability in Audit St Helena to better service the responsibilities of the Office of the Chief Auditor.

Auditors are supported in undertaking a structured training programme leading to recognised technical and professional qualifications and attainment is rewarded through the audit scheme of service within the external audit cadre. Training plans are delivered through a combination of distance learning on-island and classroom-based studies either locally based or overseas in accordance with our updated professional training policy.

The creation of a Learning and Development Strategy for Audit St Helena was identified as a defined priority in the prior Strategic Plan. This has now been drafted and extends training disciplines beyond core accounting and auditing training. The strategy makes use of local educational resources at the St Helena Community College.

The UKOT Project Phase II agreement for 2021/22 did not indicate that short term secondments would commence again due to the COVID-19 Pandemic. The opportunity to resume these secondments to the UK National Audit Office and the Wales Audit Office will be explored once normal operations commence after the pandemic. Currently Audit St Helena is taking opportunity of short term mentoring opportunities which are being offered under the UKOT Project Phase II agreement.

The office currently relies on contractors to a large degree particularly at professional qualified grades. The following initiative is included in the strategic plan to build sustainable capacity and fast track academic progression:

- A per diem allowance and cost of studies has been included in the estimates of expenditure to allow a permanent staff member to write multiple exams off island as a means to fast track their academic progress.

### **2.2.5. Improving our information systems**

The prior Strategic Plan created the strategic priority of improving the office's time recording and job costing system with installation of a bespoke time recording system in the 2020/21 year.





This has occurred despite resource constraints arising from SHG's Fit for the Future programme. The office is on track to meet the previously defined objective for 2022/23, and beyond, being that the system is working well.

The prior Strategic Plan detailed that the system would be funded through the use of reserves in the 2021/22 Financial Year.



### 3. Strategic Priorities

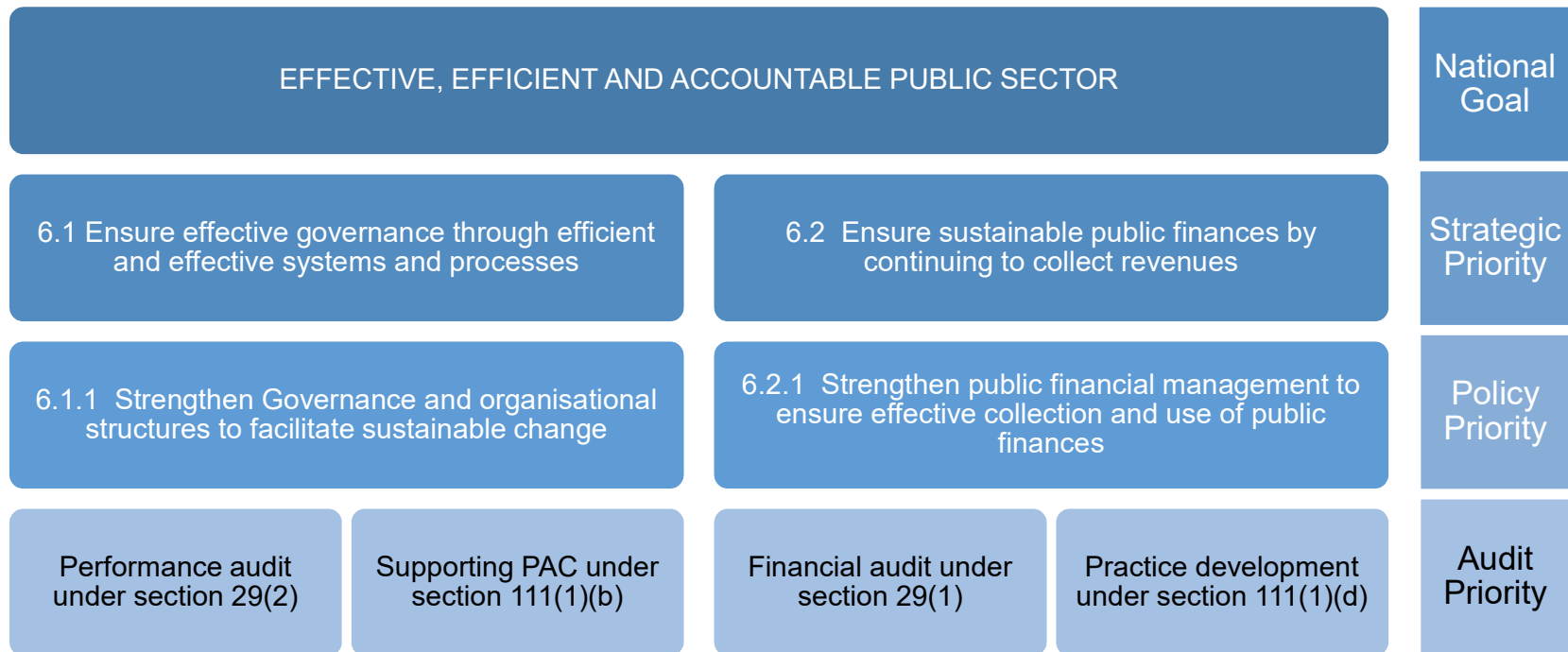
Audit St Helena has four strategic priorities which are directly aligned with the statutory objectives of the Chief Auditor and accordingly will meet the requirements of the stakeholders we serve.

	<p><b>PRIORITY ONE</b> <i>Financial Audit</i></p>	<p><i>Audit of the financial statements of government and other public bodies in accordance with professional standards.</i></p>
	<p><b>PRIORITY TWO</b> <i>Performance Audit</i></p>	<p><i>Audit of value for money in the use of public resources under section 29(2) of the Public Finance Ordinance.</i></p>
	<p><b>PRIORITY THREE</b> <i>Advice to PAC</i></p>	<p><i>Provision of advice and assistance to the PAC under section 111(1)(b) of the Constitution.</i></p>
	<p><b>PRIORITY FOUR</b> <i>Audit Practice Development</i></p>	<p><i>Institutional development and capacity building within the professional practice</i></p>

Each of these priorities covers a range of activity by Audit St Helena which is set out in more detail in the Delivery Plan in Section 5.

Figure 1 below shows how the Audit St Helena priorities are also aligned with the Strategic Objectives and Policy Priorities of Government which in turn support the national goal of an Effective, Efficient and Accountable Public Sector.

**Figure 1 Contribution of Audit St Helena to National Goals**



## 4. Operational Delivery Plan

The Operational Delivery Plan shows the activities we will deliver across the four strategic priorities identified in section 4.

Priority 1: <b>Financial audit</b>						
<i>Audit of the financial statements of government and other public bodies in accordance with professional standards</i>						
Audit Engagement	Engagement Manager	Performance Measure	Forecast	Target		
			2021/22	2022/23	2023/24	2024/25
St Helena Government	Deputy Chief Auditor	Months from year-end to audit completion -	15 <sup>1</sup>	12	10	9
Ascension Island Government	Deputy Chief Auditor		12	9	9	9
Ascension Island Gratuity Trust Fund	Deputy Chief Auditor		12	8	8	8
St Helena Airport Ltd	Deputy Chief Auditor		8	8	8	8
Equality and Human Rights Commission	Deputy Chief Auditor		9	6	6	6
St Helena Hotel Development Ltd	Financial Audit Manager		11	7	7	7
Enterprise St Helena (ESH)	Financial Audit Manager		18 <sup>2</sup>	12	-	-
St Helena Bulk Fuel Installation	Financial Audit Manager		11	8	8	8
St Helena Currency Fund	Financial Audit Manager		15 <sup>3</sup>	12	8	8
St Helena National Trust	Financial Audit Manager		8	- <sup>4</sup>	-	-

<sup>1</sup> The production of the SHG 2020/21 accounts has been delayed due to a key vacancy. The Statutory reporting date has been consequently extended to 12 June 2022.

<sup>2</sup> With ESH being wound up the production of the 2020/21 accounts has been delayed.

<sup>3</sup> The production of the Currency Fund accounts has been delayed due to a key vacancy.

<sup>4</sup> The St Helena National Trust has changed its auditor as allowed by Section 15 of the Saint Helena National Trust Ordinance.

Planned improvements in time period for audit completion are directly dependent upon the timeliness with which entities can prepare draft financial statements and supporting schedules ready for audit.

<b>Priority 2: Performance audit</b>						
<i>Audit of value for money in the use of public resources under section 29(2)</i>						
<b>Audit Engagement</b>	<b>Engagement Manager</b>	<b>Performance Measure</b>	<b>Forecast</b>	<b>Target</b>		
			<b>2021/22</b>	<b>2022/23</b>	<b>2022/23</b>	<b>2023/24</b>
Major	Performance Audit Manager	Number of performance audits reported	2	2	2	2
Standard	Performance Audit Manager		-	1	1	1
Overview	Performance Audit Manager		-	1	1	1
<b>Total</b>			<b>2</b>	<b>4</b>	<b>4</b>	<b>4</b>

As a result of a key vacancy at Principal Analyst and then Senior Analyst, together with staff members being off island for extended periods two reports originally targeted to be included in 2020/21 have been included in 2021/22. With the current Principal Analyst also forecast to leave Audit St Helena in March 2022 the 2021/22 target is dependent upon the successful secondment of a Performance Audit Manager and full team complement for the period.

**Priority 3: Advice to PAC**

*Advice and support to the PAC under section 111(1)(b) of the Constitution*

<b>Action</b>	<b>Responsibility</b>	<b>Performance Measure</b>	<b>Target %</b>		
			<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
Prepare briefings on matters referred for PAC scrutiny	Deputy Chief Auditor	Timely briefings for each item referred to PAC	100	100	100
Attend PAC meetings and assist with transaction of routine business	Chief Auditor	Attendance by CA or representative at each Committee meeting	100	100	100
Attend PAC formal hearings and assist with PAC reporting to Legislative Council	Chief Auditor	Attendance by CA or representative at each public hearing	100	100	100
Evaluate responses of Government to PAC recommendations	Deputy Chief Auditor	Biannual evaluation prepared for PAC	100	100	100

Priority 4: Practice development					
<i>Institutional development and capacity building within the professional practice</i>					
Action	Responsibility	Performance Measure	Target		
			2022/23	2023/24	2024/25
Progress PAC law reform with development of draft audit bill with assistance legal draftsman	Chief Auditor	Completion of draft audit bill for consideration of Legislative Council	Audit bill prepared.	Audit law enacted.	Audit law effective.
Review our financial audit methodology and system to optimise process efficiency	Deputy Chief Auditor with Financial Audit Manager	Review completed and benefits applied	Applied to FY 2021/22 audits	Applied to FY 2022/23 audits	Applied to FY 2023/24 audits
Embed our performance audit methodology across forward work plan through PAM appointment	Deputy Chief Auditor with Performance Audit Manager	New methodology embedded across team and applied to audits	Applied to all audits.	Applied to all audits.	Applied to all audits.
Build sustainable capacity and capability in the audit team through development and training strategy	Deputy Chief Auditor	Preparation and implementation of training strategy	Training strategy –applied year 1	Strategy applied year-2 and update to strategy.	Strategy applied year-3 and update to strategy.
Implement new time recording and job-costing system	Deputy Chief Auditor	New time recording and job-costing system implemented	System working well.	System working well	System working well

## 5. Financial Estimates

Whilst the constitution provides that the remuneration of the Chief Auditor shall be charged upon the Consolidated Fund the operating costs of Audit St Helena are managed through the Audit St Helena Special Fund Trading Account.

The Special Fund captures the operating expenditure of Audit St Helena balanced by revenues arising from internal recharges and external fees for audit work performed. Accordingly, Audit St Helena does not require direct appropriations from the SHG Consolidated Fund. The Chief Auditor is the Accounting Officer for the Fund and oversight is provided by the Public Accounts Committee which approves the annual budget estimates.

The table below shows the gross revenues for the three year planning period by main output which are designed to return a break-even trading performance on the Special Fund excepting years 1 and 2 when operating deficits are planned to fund strategic priorities. The supporting budgetary estimates are set out in Appendix A.

Output	Cost Centre	2021/22 Projected Actual £	2022/23 Estimate £	2023/24 Estimate £	2024/25 Estimate £
Financial Audit	6004	252,900	254,100	223,400	220,400
Performance Audit	6004	58,600	122,000	126,800	126,800
Advice and Assistance	6004	8,200	17,200	18,000	18,000
<b>Total</b>		<b>319,700</b>	<b>393,300</b>	<b>368,200</b>	<b>365,200</b>

The estimate for the projected 2021/22 revenue is provided for comparative purposes. The increase from the 2021/22 projected actual on the Performance Audit line is due to vacancies on the Performance Audit line in the 2021/22 financial year. Advisory charges for support to the PAC only occurred for two quarters in 2021/22 due to the committee not sitting whilst a new committee was being appointed following the elections.

Planned operating deficits in 2021/22 and for 2022/23 will draw upon the cumulative reserve to fund specific time-limited priorities set out in this plan being capacity building in performance audit, earmarked technical resource to update the financial audit methodology, implementation of a new time recording system, and provide operational cover for maternity leave.

<b>Item funded from accumulated reserve</b>	<b>2022/23 Estimate £</b>	<b>2023/24 Estimate £</b>	<b>2024/25 Estimate £</b>
Performance audit capacity building secondment	(42,700)		
Financial Audit Manual implementation	(14,300)		
<b>Sub - Total</b>	<b>(57,000)</b>		
Less: SHG 2020/21 Audit completed in 2022/23 FY	30,500		
<b>In-year operating deficit</b>	<b>(26,500)</b>	<b>(52,800)</b>	<b>(9,300)</b>
<b>Projected opening balance on Trading Account @ 01 April 2022</b>	<b>251,800</b>	-	-
<b>Closing balance on Trading Account</b>	<b>225,300</b>	<b>172,500</b>	<b>163,200</b>

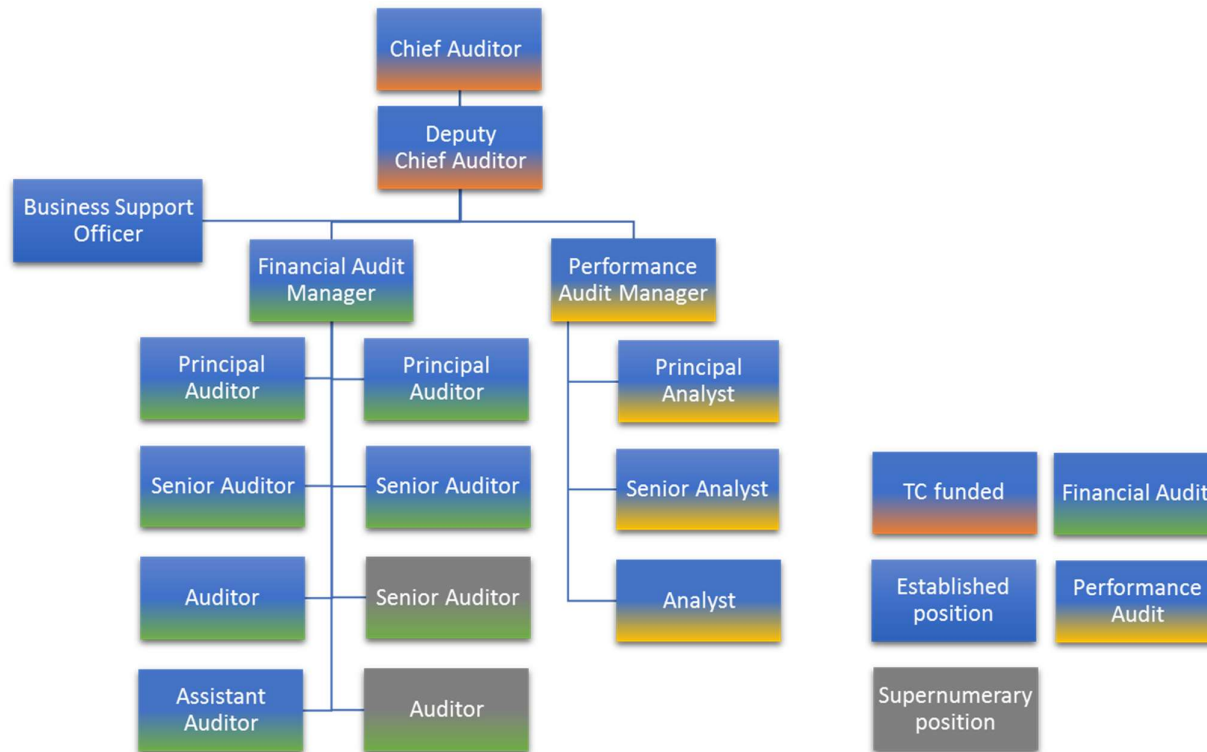


## **6. Workforce Plan**

The Chief Auditor recognises that success in delivering his statutory responsibilities, and meeting the strategic policy priorities outlined in this plan, depends on ensuring Audit St Helena has the right number of people, with the right skills, experiences, and competencies, in the right jobs, at the right time.

Audit St Helena has to maintain a flexible resourcing model to ensure sufficient productive capacity is in place to deliver planned audits within the required reporting timelines. Established staff resources dedicated to Audit St Helena under section 28 of the Public Finance Ordinance are supplemented by contractor resources engaged on fixed-term appointments during peak workload. The team establishment number of 16 for 2021/22 as set out in Figure 2 remains unchanged from prior year.

**Figure 2 Audit St Helena Team Establishment**



## **7. Risk Management and Mitigation**

The Audit St Helena Risk Register is shown in Appendix B to this Strategy and Delivery Plan.

## **8. Approval**

Estimates of revenue and expenditure for Special Funds, as trading activities, are not required to be appropriated under the Public Finance Ordinance. However, by convention of Legislative Council the forward plans for Audit St Helena and the associated Special Fund budget estimates are reviewed by the Public Accounts Committee.

At its meeting on 18 March 2022 the Public Accounts Committee:

- Endorsed the Strategy and Delivery Plan for the Audit St Helena for the period 2022/23 to 2024/25
- Approved the Audit Special Fund budget estimates at Appendix A to form part of the Saint Helena Government Budget Estimates for 2022/23

With the agreement of the Chief Auditor, and in the interests of openness and transparency, the Strategy and Estimates are laid at the budget session of Legislative Council.

Brendon Hunt  
Chief Auditor  
Audit St Helena

23 March 2022

**Audit St Helena  
Appendix A**

**Strategic Plan 2023/25  
Estimates of Expenditure and Revenue**

<b>Cost Centre</b>	<b>Audit St Helena Trading Account 6004</b>	<b>2022/23 £</b>	<b>2023/24 £</b>	<b>2024/25 £</b>
	<b>EMPLOYEE COSTS</b>	<b>331,600</b>	<b>330,700</b>	<b>286,100</b>
021-01103	Salaries	269,200	268,800	247,500
021-01105	Allowances	39,100	40,600	23,400
021-01107	Staff Mileage Allowance	300	300	300
021-01202	Public Sector Pensions	3,300	3,600	300
021-01205	Training Expenses	7,400	7,400	7,400
021-01206	Examination Fees	1,500	1,500	1,500
021-01304	Overtime	2,000	2,000	2,000
021-01400	Other Employee Costs	8,800	6,500	3,700
	<b>PROPERTY COSTS</b>	<b>17,700</b>	<b>18,400</b>	<b>18,400</b>
022-02101	Building Maintenance	200	200	200
022-02203	Electricity	4,100	4,200	4,400
022-02302	Rent of Premises	11,800	12,400	13,000
022-02401	Water	1,200	1,200	400
022-02601	Cleaning Materials	400	400	400
	<b>TRANSPORT &amp; PLANT COSTS</b>	<b>4,000</b>	<b>4,300</b>	<b>400</b>
023-03501	Vehicle/Plant Hire Charges - Outside SHG	4,000	4,300	400
	<b>SUPPLIES AND SERVICES</b>	<b>20,600</b>	<b>21,000</b>	<b>21,800</b>
024-04101	Furniture and Equipment	1,600	1,600	1,600
024-04116	Computer Equipment	2,400	2,400	2,400
024-04120	Publicity & Promotional Activities and Materials	500	500	500
024-04301	Uniforms	400	400	400
024-04401	Library Books & materials	400	400	400
024-04403	Computer consumables	900	900	900
024-04407	IT Renewal & Licences	11,500	11,900	12,500

<b>Cost Centre</b>	<b>Audit St Helena Trading Account 6004</b>	<b>2022/23 £</b>	<b>2023/24 £</b>	<b>2024/25 £</b>
024-04408	Insurance	2,900	2,900	3,100
	<b>ADMINISTRATION COSTS</b>	<b>5,200</b>	<b>5,300</b>	<b>5,300</b>
025-05102	Stationery	800	800	800
025-05105	General Office expenses	400	400	400
025-05202	Local Telephones, Fax and Internet Charges	500	500	500
025-05203	International Telecomms	2,400	2,500	2,600
025-05206	Advertising	800	800	800
025-05300	Bank Charges	300	300	200
	<b>PAYMENT TO OTHER AGENCIES, BODIES OR PERSONS</b>	<b>2,400</b>	<b>2,400</b>	<b>2,400</b>
026-06212	Consultancy Fee	2,400	2,400	2,400
	<b>OTHER EXPENDITURE</b>	<b>14,300</b>	<b>14,300</b>	<b>14,400</b>
027-07112	Subscription to Professional Bodies	2,200	2,200	2,200
027-07128	Accommodation & Travel	11,800	11,800	11,900
027-07139	Service Tax	300	300	300
	<b>PAYMENTS TO CONTRACTORS</b>	<b>5,800</b>	<b>5,900</b>	<b>6,200</b>
028-08104	Cleaning Contract	5,800	5,900	6,200
	<b>RECHARGES PAID</b>	<b>18,200</b>	<b>18,700</b>	<b>19,500</b>
029-09900	Transport	900	900	900
029-09903	IT	16,700	17,200	18,000
029-09904	Customs	600	600	600
	<b>GROSS EXPENDITURE</b>	<b>419,800</b>	<b>421,000</b>	<b>374,500</b>
	<b>FINES &amp; FEES RECEIVED</b>	<b>106,800</b>	<b>102,000</b>	<b>99,000</b>
014-00425	Audit Fees (External Audit)	106,800	102,000	99,000
	<b>TOTAL LOCAL REVENUE</b>	<b>106,800</b>	<b>102,000</b>	<b>99,000</b>
	<b>RECHARGES RECEIVED</b>	<b>286,500</b>	<b>266,200</b>	<b>266,200</b>
019-00908	Audit	286,500	266,200	266,200
	<b>TOTAL REVENUE</b>	<b>393,300</b>	<b>368,200</b>	<b>365,200</b>
	<b>SURPLUS/(DEFICIT)</b>	<b>(26,500)</b>	<b>(52,800)</b>	<b>(9,300)</b>

<b>Cost Centre</b>	<b>Audit St Helena Trading Account 6004</b>	<b>2022/23 £</b>	<b>2023/24 £</b>	<b>2024/25 £</b>
	<b>Projected Reserve to 31 March 2022/Bought Forward</b>	<b>251,800</b>	<b>225,300</b>	<b>172,500</b>
	<b>Reserve Carried Forward</b>	<b>225,300</b>	<b>172,500</b>	<b>163,200</b>

**Audit St Helena Strategic Plan 2022/25**  
**Appendix B Strategic Risk Register**

Audit Priority	Risk description	Owner	Impact description	Likelihood	Impact	RAG rating	Mitigation
Financial Audit	Failure to identify material misstatements in audited accounts caused by a poor quality and ISA non-compliant audit leading to an inappropriate opinion given by the Chief Auditor.	Chief Auditor	<ul style="list-style-type: none"> <li>• Reputational damage and a weakened public perception of the Chief Auditor, Audit Office and audited bodies</li> <li>• Financial statements do not present fairly the financial position leading to poor decision making by stakeholders and aid funders DFID – this may have significant financial and economic impacts</li> <li>• Potential failure to identify material fraud or error across government leading to wastage and less sustainable public finances</li> <li>• Adverse impact on SHG's credit rating leading to adverse economic impact</li> </ul>	2	5	10	<ul style="list-style-type: none"> <li>• ISA compliant audit manual in place, linked to CaseWare audit software requiring audit procedures to be completed and reviewed</li> <li>• Ongoing training of staff to ensure technical knowledge is up to date</li> <li>• Professionally qualified accountants employed, including Chief Auditor, Deputy Chief Auditor and Financial Audit Manager</li> </ul>
Performance audit	External publication of poor quality reports, incorrect findings, and factual errors in reports. This in turn may lead to poor recommendations made to SHG.	Chief Auditor	<ul style="list-style-type: none"> <li>• Reputational damage and a weakened public perception of the Chief Auditor and Audit Office</li> <li>• Inefficiency in SHG caused by inappropriate recommendations being issued</li> <li>• Potential value improvement missed through failure to identify waste and inefficiency in use of public funds</li> </ul>	3	4	12	<ul style="list-style-type: none"> <li>• Strengthened performance audit team with suitably qualified Performance Audit Manager to provide expertise and quality assurance</li> <li>• Quality assurance process updated through the implementation of new performance audit manual, including improved engagement and clearance process</li> </ul>

Audit Priority	Risk description	Owner	Impact description	Likelihood	Impact	RAG rating	Mitigation
Supporting PAC	Poor advice given by the Chief Auditor to PAC, leading to ineffective oversight and scrutiny function and weakened public accountability	Chief Auditor	<ul style="list-style-type: none"> <li>Ineffective oversight of public finances by elected members</li> <li>Reduced accountability across government</li> <li>Reduced overall value for money of public spending</li> </ul>	1	4	4	<ul style="list-style-type: none"> <li>Experienced Chief Auditor in position supported by well qualified audit staff</li> <li>Published audit reports referred for PAC scrutiny are of high quality</li> </ul>
Practice development	Audit Office lacks capacity to undertake the statutory duties of the Chief Auditor caused by inability to recruit and retain suitable staff as well as poor on-island training facilities	Chief Auditor	<ul style="list-style-type: none"> <li>Public accounts remain unaudited with effects on funding and decision making for public bodies including SHG and AIG</li> <li>Reduced performance audit output leading to reduced accountability and transparency</li> <li>Poor quality financial audits leading to impacts outlined in risk 1</li> <li>Poor quality performance audits leading to impacts outlined in risk 2</li> <li>Practice development priorities unable to be progressed</li> </ul>	3	5	15	<ul style="list-style-type: none"> <li>Sustainable investment in capacity building and institutional development</li> <li>Use of fixed-term contractors to fill vacant positions</li> <li>Use of TC support to fill senior leadership positions including appointment of new Chief Auditor</li> <li>Training and development of audit team members</li> </ul>
All areas	Covid-19 pandemic continues into 2021 directly or indirectly impacting the proper functioning of the office	Chief Auditor	<ul style="list-style-type: none"> <li>Staff resources directly impacted by pandemic with lost production and attendant delay in completion of statutory audits.</li> </ul>	4	4	16	<ul style="list-style-type: none"> <li>Covid-19 business continuity plan developed which provides for Scenario 1 office-based and Scenario 2 remote-working response</li> <li>Use of remote working contractors in accordance with policy framework</li> </ul>



Impact rating	Assessment
5 Critical	Negative outcomes or missed opportunities that are of critical importance to the achievement of objectives
4 Major	Negative outcomes or missed opportunities that are likely to have a relatively substantial impact on the ability to meet objectives
3 Moderate	Negative outcomes or missed opportunities that are likely to have a relatively moderate impact on the ability to meet objectives
2 Minor	Negative outcomes or missed opportunities that are likely to have a relatively low impact on the ability to meet objectives
1 Insignificant	Negative outcomes or missed opportunities that are likely to have a relatively negligible impact on the ability to meet objectives

Likelihood rating	Category definition
5 Common	The risk is already occurring, or is likely to occur more than once within the next 12 months
4 Likely	The risk could easily occur, and is likely to occur at least once within the next 12 months
3 Moderate	There is an above average chance that the risk will occur at least once in the next three years
2 Unlikely	The risk occurs infrequently and is unlikely to occur within the next three years
1 Rare	The risk is conceivable but is only likely to occur in extreme circumstances

#### RAG ratings

Red	15 < 20	High impact and likely to occur without mitigations in place
Amber	10 < 15	Medium impact and likely to occur without mitigations in place
Green	< 10	Low impact and/or unlikely occurrence