

St Helena Public Accounts Committee

Report to Legislative Council on the Formal Session of the Public Accounts Committee held on the 22nd of March 2017 and 10th of April 2017.

1. Introduction

In accordance with section 69 (6) of the Constitution of St Helena the Public Accounts Committee hereby reports to Legislative Council on the Formal Session of the Committee, held on 22nd of March and 10th of April 2017.

Membership of the Committee comprises:

Chairman:	Mr Cyril (Ferdie) Gunnell
Vice Chairman:	Mr Mark Yon
Members:	Hon Dr. Corinda Essex
	Hon Wilson (Tony) Duncan
	Hon Cyril George

The Committee is advised professionally by the Chief Auditor, Mr Phil Sharman.

The PAC's Terms of Reference and Reporting Mechanism are available on the SHG website. A transcript of these proceedings can be found on the SHG website and a copy is held in the public library.

2. Order Paper – First Session 2017/18

22nd of March 2017

- I. Chairman's Address
- II. Connect St Helena 2015/16 Audited Annual Financial Statements
- III. Enterprise St Helena 2015/16 Audited Annual Financial Statements
- IV. Bank of St Helena 2015/16 Audited Annual Financial Statements
- V. St Helena Fisheries Corporation 2015/16 Audited Annual Financial Statements

10th of April 2017

- VI. St Helena Government 2015/16 Annual Financial Statements and Management Letter
- VII. Bulk Fuel Installation 2015/16 Audited Annual Financial Statements
- VIII. St Helena Currency Fund 2015/16 Audited Annual Financial Statements
- IX. St Helena Hotel Development Limited 2015/16 Audited Annual financial Statements

I. Chairman's Address

The Chairman opened the meeting and welcomed all in attendance and those listening over the radio, thanking them for their interest in the work of the Public Accounts Committee (PAC) and to South Atlantic Media Services (SAMS) for broadcasting the formal hearing.

The Chairman highlighted that this was the first formal session of PAC for 2017; it was being broadcast live from the Council Chamber at the Castle in Jamestown. Since the last formal session of the PAC held on the 3rd October 2016, he advised that there had been a change in membership, with Mr Stedson Francis who served as Vice Chairman resigning from the Committee. The Chairman publicly thanked Mr Francis for his long-standing contribution to the PAC. Her Excellency, Governor Phillips, after consultation with Elected Members, appointed Mr Mark Yon as the new independent member and taking the role of Vice Chairman. He welcomed Mr Yon to the Committee and his first public meeting.

The Chairman acknowledged the work of the Chief Auditor, Mr Phil Sharman, as the Professional Advisor, Miss Anita Legg, the Committee Secretary and the Performance Audit Manager, Mr Anesu Happyman Makamure.

For the benefit of first time listeners, the Chairman explained that PAC is a Select Committee of Legislative Council in accordance with section 69 of the Constitution and Standing Order 23, the PAC's function is statutory. Its primary function is to objectively scrutinise how the Government spends the public purse. The PAC is protected to act independently and is not subject to the directions and control of the Governor, the Executive Council or any other body or authority. It has the power to call any Government official to give evidence orally. The scrutiny role of PAC is seen as a mainstay of good governance in terms of holding Government to account.

He further highlighted that the UK Foreign and Commonwealth Office is currently sponsoring a programme of institutional development across the British Overseas Territories and he was pleased to attend the launch of this initiative in early March 2017 and ensure that the PAC in St Helena, alongside the Internal and External Audit's functions will benefit from this practical assistance over the next two years.

The Chairman acknowledged that there has been a great deal of catching up on backlogged accounts. St Helena Audit Service, working with the Corporate Finance directorate and various other public entities has now cleared this backlog. The entire backlog of public accounts in St Helena, have been audited and the benefit is coming through to the scrutiny process. The PAC recommendations relating to the previous audit year, 2014/2015 were reported to Legislative Council at the December 2016 sitting and the Response of Government to the PAC recommendations was presented at the Legislative Council meeting held on the 14th March 2017.

He highlighted that in its current programme of business, PAC is now able to review and take evidence on public accounts relating to the 2015/2016 financial year. This more current scrutiny brings the whole process to life as we are considering more recent events rather than historic information and PAC would like to report on this before dissolution of Legislative Council in May 2017.

II. Connect St Helena Ltd (Connect) - 2015/16 Audited Annual Financial Statements

The following persons attended to answer questions in respect of Connect:

- Chief Executive Officer – Mr Barry Hubbard
- Operations Director – Mr Leon De Wet
- Head of Finance – Mr Makion Chiwade

The audit of Connect's financial statements for the year ended 31 March 2016 was completed on 14 December 2016 under the Public Utilities Ordinance and the Companies Ordinance 2004. The audit was performed by Moore Stephens LLP and this was the third year of reporting by Connect as a Limited company.

PAC highlighted that Connect in its Annual Report uses the 2013 results as the benchmark which had more favourable improvements as compared to the 2015 results. PAC enquired why 2013 had been used as a benchmark in its evaluation of performance, if this was a fair baseline to use and why no year-on-year improvement was being reported. *Management explained that the Utilities Regulatory Authority (URA) has a statutory duty to monitor the technical performance of Connect and the URA advised them to report against a pre-divestment benchmark, so that users could see the benefit of divestment. Connect further advised that the URA's report, which is more comprehensive being focused on technical performance, states performance for all of the years and is a public document. Management's view is that 2013 is a fair baseline and it also shows the improvements that have been made.*

PAC enquired as to the reason for the increase in number of water losses due to leakages in the water distribution network. *Management highlighted that this is due to legacy issues, being the networks are depreciated beyond their life cycle and an inherited lack of service maps. It was further highlighted that the Board had taken a decision in September 2016 to introduce an in-house construction team with equipment and resources to speed up this process of addressing the leakages.*

PAC enquired as to how much water had been lost due to these leakages measured in cubic metres or litres, what is the industry accepted losses (percentage wise as to industry acceptable water losses). *Management highlighted that unaccounted water is between 10% and 50% but cannot be scientifically proven due to the lack of bulk meters to measure it. Connect are in the process of introducing bulk meters, with the aim to accurately measure losses in each areas. This project is anticipated to be completed by mid-2018.*

Management also highlighted that industry acceptable losses varies between networks, averaging about 30% but Connect is targeting about 20% as unaccounted for water. PAC acknowledge that standards for NRW (non-revenue water) losses range between 10% to 25% based on the how advanced the network is [PAC source: World Bank and CUWCC]. Management further highlighted that they would also want to do more to capture water that flows through the valleys but currently there is no available funds to be able to do this.

PAC were surprised that bulk water metering remained incomplete after some 3-years since the commitment was made to Council to measure and address network losses. PAC were also concerned that with the recent focus on developing bulk water storage capacity, the importance of improving the efficiency of the water network may be seen as secondary.

PAC highlighted that according to the Connect annual report the percentage of water samples found to be clear at water treatment works is 99.5%. PAC enquired as to the percentage of the water samples found clear at the end of the distribution system. *Management highlighted that they perform eight samples a week (four are around the water treatment plants and four are out on the network), which are representative sample points for consumer premises as agreed with the Public Health Authorities.* PAC enquired on the level of microbiological integrity of treated water in Connect network. *Management highlighted that microbiological integrity in the Connect network was 100% and the microbiological integrity of treated water was also 100%. Management highlighted that more detailed information can be found in the URA report as the financial statements only contain a 1 page summary compared to the full 24 page report. The report can also be downloaded on the Connect website. PAC reiterated the importance of Connect reporting on its performance information as that is also important for the PAC.*

PAC enquired as to the reason for Connect's financial performance decline from 2014/15 to 2015/16 both in terms of the current, quick ratios, gross profit or loss margin and net profit or loss margin. *Management highlighted that the decline in the quick and current ratios was due to the payments for the investments that were committed in the previous year. The cash balance as at 31 March 2017 is likely to decrease to £1.5million. They further explained that Connect's finance model is to achieve break even, so they are not yet aiming for making a profit. Therefore the decline in profit is towards the desired, planned level and should be zero if it had been done it within the plan.*

PAC highlighted that the 2015/16 Connect Annual Report in section 2 (Strategic report, page 3) highlights that they have completed the treated water

supply mains to Woody Ridge and Head'O Wain infrastructure program. PAC enquired as to when the treated water supply mains to Head'O Wain infrastructure program was completed. *Management advised that the certificate was signed on 28 July 2015.* PAC highlighted that as far as they are aware Head'O Wain does not have treated water supplied to their consumers, how accurate then is the statement in the Annual Report. *Notwithstanding the statement in the annual report, management explained that Head'O Wain does not receive any treated water as only the water supply main has been completed. It also could take 5 years for that side of the island to get treated water due to funding limitation.*

PAC highlighted that they made a number of recommendations, both in relation to the accounts ended 31st March 2014 and those ending 31st March 2015 and were appraised by management of the progress towards the implementation of the following recommendations:

- Connect review their write-off policy and strategy and develop a delegation of authority policy/procedure.
- Connect publish the financial performance of the different operating segments within the Annual Report.
- Connect sets a payback period on renewable assets; in order to indicate what the minimum period is to recoup investments.

Recommendations

In relation to its scrutiny of the Connect financial statements for the year ended 31 March 2016, **PAC recommends that:**

- Connect includes its Performance Information as part of their Annual Report and Financial Statements and must report on its year on year performance on its indicators.
- Connect's Annual Report and Utilities Regulatory Authority report be made available in the Public Library and the Castle for citizens who do not have access to the internet.
- Connect's Annual Report must be thoroughly reviewed by the Governance Structures (Board and/or Audit Committee) before signing off so as to ensure that any inaccurate or misleading statements are not published.

- Connect implements measures to accurately quantify, as well as minimise, the water losses in the distribution networks. Presently unaccounted water losses are estimated to vary between 10% and 50%
- Connect records and maintains flow data information if necessary using maps developed initially for the 1990 to 2010 Water Plan and that these Water Plans be updated 5-yearly and published.
- Recognising the redirection of funds to prioritise the alleviation of the drought and ensure water security, SHG must clarify their strategic intent to Connect, as no formal change has been made to the Strategic Objectives set in the Sustainable Development Plan regarding access to treated and tested water.
- Connect discloses in the Financial Statements its operating segments, specifically water and electricity divisions, for the benefit of the users of the Financial Statements.

III. Enterprise St Helena (ESH) - 2015/16 Audited Annual Financial Statements

The following persons attended to answer questions in respect of ESH:

- Deputy Chief Executive for Economic Development – Mrs Susan O’Bey
- Director: Resources – Mrs Michelle Yon
- Director: Policy Development and Social Enterprise – Mr Robert Midwinter
- Director: Commercial Development and Enterprise – Mr Peter Bright
- Director: Tourism – Mr Christopher Pickard

The audit of the ESH accounts for the year ended 31 March 2016 was completed on 9 December 2016 and complied with the requirement under section 10(1) of the ESH Ordinance that the accounts are audited within 12 months. The audit was performed by Moore Stephens LLP and this was their third year of auditing ESH.

PAC highlighted ESH’s capital programme achievements in the annual report, such as the refurbishment of Jamestown Market, Bertrand’s Cottage and Longwood Enterprise Park. PAC enquired on the capital outlay of these projects until completion, estimated revenue generation potential, projected fiscal impact on the island economy, for example, taxes etc. *Management highlighted that the capital outlay for Jamestown Market was £256k, Bertrand’s Cottage was £356k and Longwood Enterprise Park, which is very close to completion has cost £185k. Revenue generation for Jamestown Market and Longwood Enterprise Park is £8k and £10k per annum respectively, whilst Bertrand’s cottage will be operated as a stand-alone business. With regards to employment creation, Jamestown Market created or sustained 18 jobs, Longwood Enterprise Park is anticipated to create 11 jobs and Bertrand’s Cottage has created 6 new jobs. All ESH business units are calculated on achieving full cost recovery over a period of twenty years (5 percent per annum).*

PAC enquired if ESH had finalised its new funding agreement with DfID and if so for how many years and how much money has been allocated. *Management highlighted that a new funding agreement has not been finalised with DfID but the business case submitted was for 5 years with a budget of about £10 million.* PAC were pleased that ESH were looking at a longer term plan but were concerned that after more than a year after the expiry of the previous 3-year MOU no new agreement has been reached with DfID.

Noting that the significant underspend in the previous MOU resulted in a 9-month no-cost extension being agreed with DfID. PAC enquired what measures have ESH put in place to ensure that the money allocated will be spent in a timely manner. *Management highlighted that a rigorous review of their processes and systems was performed which led to ESH policies being revised; with all things built into planning a realistic timeframe for being able to deliver on key performance indicators, something the organisation had to demonstrate before being awarded the Excellence in Economic Development Standard by the Institute of Economic Development. These improvements should be able to assist the organisation to achieve its targets timeously.*

PAC enquired whether ESH is able to report on outputs & outcomes and performance against objectives and targets defined during the planning stage. *Management highlighted that they were happy to report that they had appointed a Quality Systems and Information Manager who produces regular reports and they are reporting against outputs/outcomes as per the DfID log frame and those are done on a monthly basis; this year for the first time they have also produced it in the Annual Report which is in the public domain.* PAC noted that the Annual Report had made some progress but needed to go much further in terms of reporting outputs and outcomes rather than inputs and activities of ESH. PAC also noted the Annual Report for 2015/16 was published separate from the Financial Statements whereby section 10 of the Enterprise St Helena Ordinance implied the Annual Report inclusive of Financial Statements so should be prepared audited and published together.

PAC further enquired that the overall objective of ESH is to facilitate the sustainable economic growth of St Helena, and how is ESH measuring the economic output on a year by year basis. *Management highlighted that to be able to demonstrate this, the island needed to be measuring GDP, which they are developing in conjunction with SHG. Measuring the economic impact has not been easy due to the backlog in the financial reporting by SHG, until recently when they caught up. However, ESH is working to ensure that this can be addressed going forward and looking at being able to do much more rigorous work around value for money for each of their key areas.*

PAC noted that ESH in its annual report highlighted key challenges they are facing: developing systems and processes that make St Helena a good place to invest. PAC enquired if these risks have been recorded in the Strategic Risk Register and what action is being taken to mitigate these challenges. *Management highlighted that the challenges have been recorded as risks in the Risk Register and action is being taken to mitigate them and being monitored on a monthly basis as part of the management information system.*

PAC highlighted that they had made a number of recommendations, for the year ended 31st March 2015 and were appraised by management of the progress towards the implementation of the following recommendations:

- ESH must report on outputs and outcomes in the annual report and uphold their commitment to do so in future financial statements.
- 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.
- The ESH report on attainment of objectives should be made available to the public and consideration must be given to citizens who do not have access to the internet/computers.
- ESH in dealing with public concerns about the procurement process should consider introducing an independent hotline so that the public can report instances of suspected fraud/corruption and they should make public the findings of any investigations for transparency.
- ESH should consider re-adopting the incubator unit concept so as to foster development of start-up businesses.
- ESH should disclose total salaries or if included in a subtotal should be noted in their accounts disclosing total salary.
- ESH should start developing longer term strategies rather than the current short term 3 years, probably 10 to 15 year plans.

Recommendations

In relation to its scrutiny of ESH financial statements for the year ended 31 March 2016, **PAC recommends that:**

- ESH publish their Annual Report and Financial Statements as a combined document as implied by section 10 of their Ordinance.
- ESH consolidates the financial results of Bertrand's Cottage in their financial statements as a subsidiary.
- ESH determines its future intentions with regards to its ownership in Bertrand's Cottage as a training facility and standalone business. A medium-term exit strategy should be developed within the next 12 months.
- ESH record all identified risks in their strategic and operational risk registers and develops practical mitigation plans. ESH submits its Strategic Risk Register to enable PAC to reconcile the challenges noted in the Annual Report.

- ESH should refer to its Board for reconsideration the SHDA policy with regards to the incubator unit leasehold terms so as to provide a suitable economic climate for emerging entrepreneurs.
- ESH during its strategic planning phase sets key performance indicators (KPI) that are based on outputs and/or outcomes rather than the inputs or activities. Progress against these output/outcome based KPIs are then expected to be reported in the Annual Report.
- In order to achieve value for money, ESH should ensure all training that is being provided is accredited with a recognised external provider and can be benchmarked internationally.

IV. Bank of St Helena (BOSH) - 2015/16 Audited Annual Financial Statements

The following persons attended to answer questions in respect of BOSH:

- Chairperson – Ms Lee-Ann Henry
- Managing Director – Ms Rosemary Bargo
- Assistant Director – Mrs Joey George
- Finance Office – Ms Lisa Ryan

The audit of BOSH's annual financial statements for the year ended 31 March 2016 was completed on 15 December 2016 under the Financial Services Ordinance 2008 and the Companies Ordinance 2004. The audit was performed by Moore Stephens LLP, acting as External Auditor to the Bank of Saint Helena Ltd.

PAC enquired as to how BOSH is managing its liquidity risk due to depositor's funds being payable on demand but its lending was for long-term periods of up to twenty-five years. *Management highlighted that the bank is issued with directives from the Financial Services Ordinance that actually specify ratios that the Bank needs to adhere to and the current liquidity ratio set out for cash on St Helena has to be 0.5% of the current and deposit accounts. Undrawn commitments, whether held here on St Helena or in the UK, must be not be less than 25%. Currently BOSH's liquid assets on the island are set at 2.5% and in total they have 72.1% so it's well liquidised.*

PAC further enquired if the bank foresaw the above noted liquidity risks materialising. *Management highlighted that currently BOSH's lending book is just over £12 million and would be concerned if the lending brought increases to £20 million. BOSH lends based on its ratios and there are currently £60 million in Cash Deposits in the UK which can be cashed at any point, thus if customers do require their funds the bank would be able to make them available.*

PAC enquired if BOSH had been issued with any shareholder mandates to ensure effective corporate governance through the Board of Directors. *Management highlighted that they are guided by the Financial Services Ordinance directives, Articles of Incorporation and the Companies Ordinance, with regards to Governance and nothing has been specifically issued by the shareholder, SHG.*

PAC enquired if any financial performance targets have been set by the shareholder and if the current profitability and rate of return on funds employed

is considered adequate. *Management highlighted that the performance targets are actually set by the Financial Services directives, which are in conjunction with the shareholder. BOSH aims to make sufficient profit to allow it to grow its lending book and to ensure that any products and services that they invest in, in the future is affordable and accessible to all.*

PAC enquired what steps the Bank is taking to improve cost efficiency and revenue. *Management highlighted that they are looking at the local debit card with the hope of moving into plastic money as well as looking at account packages that could help increase their revenue, bearing in mind affordability for customers. The Bank's main investment is in Cash Deposits with UK Banks; its returns are extremely low so were hoping that their lending book grows a bit more in order to improve their returns yield so that they can offer better interests on investment.* PAC were surprised that more emphasis was not placed on improving efficiency through automation of the banking system noting that teller operations appear to be manual paper based.

PAC enquired how internet banking had been accepted and its success. *Management highlighted that the internet/online banking is not very popular considering that BOSH had an upgrade that might increase interest, as this gives new features which businesses would be more attracted to and can use, such as, preparing their own payrolls within their own offices instead of sending it to the Bank, multi journals and account transfers, so there are some improved features.* PAC further enquired whether the bank is charging the full cost or is it absorbing some costs. *Management highlighted that BOSH absorbs some of the costs but this will be over a number of years.*

PAC enquired if the cost is quite significant in terms of what they are paying out to maintain the service and whether they considered the cost as being a risk to maintaining or delivering that service in the future. *Management highlighted that they are hoping that the uptake on the packages is significant enough that it will help mitigate the cost and could eventually bring lower the cost of the account packages.*

PAC enquired on the measures that have been put in place to mitigate the risks that come with internet banking and plastic money. *Management highlighted that they have put in place the necessary firewalls and IT security measures that is reasonably expected to avoid fraudulent transactions.* PAC requested that management explain how the debit card will work and if it has limits that will be imposed. *Management highlighted that there are two cards that they would want to introduce being the local debit card (local usage) and the international prepaid debit card (overseas usage). The international prepaid debit card will be affiliated to MasterCard and money can be loaded into this account before*

travel. As long as the card has money individuals can either go to an ATM or can use it to transact. The local debit card is undergoing in-house testing, will be rolled out after this has been completed and they are in the final stages of approval with the Financial Services Regulatory Authority. The local debit card is linked to bank balances and therefore transactions will not exceed the available amount. PAC enquired as to how the debit cards will be implemented, whether there was going to be a pilot scheme first or was it going live immediately after testing. Management highlighted that it will definitely be a pilot scheme first, which will run for a couple of months.

PAC further enquired that given the international prepaid card will be new, a number of users will be totally unused to any form of plastic money, and will not have the necessary IT skills to be able to go to portals and update the amount of funding held on that card, therefore would any provision for training and support be provided to travelling individuals. *Management highlighted that on sign up for the service, clients will be provided with package induction as basic training. BOSH has a good IT team that is supported by a Customer Service Team and in addition a 24 hour call-in service will be available. BOSH is also looking a hiring 2 extra people to be able to support the new services.*

PAC highlighted that they made a number of recommendations, for the year ended 31st March 2015 and were appraised by management of the progress towards the implementation of the following recommendations:.

- BOSH communicates the new initiatives with regards to the introduction of plastic money to the island, to make the public aware.
- BOSH increases its publicity of the lending initiatives to the public and businesses so that more people are aware of these opportunities.

Recommendations

In relation to its scrutiny of BOSH financial statements for the year ended 31 March 2016, **PAC recommends that:**

- BOSH look at improving efficiency and therefore profitability through office automation as well as growing the service offer.
- BOSH uses the feedback from the pilot period of the project to correct or rectify any issues that would have been noted before going live.
- BOSH, ESH and SHG consider partnerships that will see the ESH advisors and SHG representatives' abroad (South Africa, Falklands, United Kingdom) assist bank clients that may be experiencing complications with their bank cards/bank queries.

- BOSH set a structured training programme for its staff members and also include overseas training as appropriate.
- SHG as shareholder set financial performance expectations in terms of profitability, growth and dividend policy.

V. St Helena Fisheries Corporation (SHFC) - 2015/16 Audited Annual Financial Statements

The following persons attended to answer questions in respect of SHFC:

- Chairman of the Board – Hon Lawson Henry
- General Manager – Mr Terrence Richards
- Business Manager – Mr Stephan Weston

The Independent Examination of the SHFC for the year ended 31 March 2016 was completed in November 2016 by the Chief Auditor. Section 15 of the St Helena Fisheries Ordinance requires that the Corporation transmit an audited report on their operations to the Governor within six months of the financial year end. The investment in Saint Marine Resources Limited (SMRL) forms a significant component of the SHFC accounts. To enable the account of SMRL to be prepared and reviewed the General Manager sought a two-month extension from Her Excellency the Governor to 30 November 2016 which was granted. The financial statements were prepared based on Financial Reporting Standards for Small Entities (FRSSE) 2015 as its reporting framework.

PAC highlighted that SHFC's cash reserves have been depleting for a while and do not seem to be recovering which raises going concern and doubts. PAC then enquired on SHFC's ability to continue as a going concern with its internal revenues depleting. *Management agreed that cash reserves have been depleted since the purchase of the MV Extractor in 2014 and were further strained due to the takeover of the Argos Factory with most of the equipment being outdated and written down in the books of Argos and with no available funding available to SHFC. They had realized that the factory, which was operated previously by Argos, is a very expensive operation to undertake. With the help of the SHG subsidy and provided that the Corporation can purchase the required amount of fish, in the current year they budgeted 500 tonnes and have made about 400 tonnes which is below target and they will always struggle with cash.*

PAC enquired how often management monitored the management accounts and forward working capital requirements. *Management highlighted that management accounts are prepared and analysed on a monthly basis by the Management Board.*

PAC enquired how long it took for SHFC to actually get its cash for fish exports. *Management highlighted that this situation has improved since they started with a new customer as it now takes up to two months, but prior to that it was three months and longer.*

PAC further enquired if other alternatives could be explored to ensure that SHFC gets cash for export sales within a reasonable period. *Management highlighted that if shipments are relatively small at the moment, their present customer would give them a hundred percent against the shipping documents, otherwise he would normally do fifty percent against the shipping documents and the balance within the two month period that was stated earlier. An export credit system would be useful, whereby if SHG had a fund that they could put up as export credits and as long as SHFC produce the document to prove this shipment is on its way, it would help their cash flow and when SHFC receive their payment it could be put back into the export credit fund, this would be an ideal situation for the Corporation.*

PAC requested SHFC update the PAC on Argos asset's performance after they took over these operations and if all staff had been retained. *Management highlighted that they took over 20 staff from Argos; they now have a complement of 21 total staff at the moment. The assets are twenty years old, are mostly past their useful life and technologically obsolete. It costs nearly just over £200k a year to run the factory just for electricity in the building.*

PAC enquired on the Saint Marine Resources Ltd shares and when is management going to finalise the sale of St Helena Fisheries Corporation's SMRL shares. *Management highlighted that they are looking at lifting the Extractor before 31 March 2017.* PAC further enquired on the agreed repayment period per the sale agreement and who is failing to meet its obligations between SHFC and the buyer. *The sale agreement basically stated that the balance will be paid once the vessel is lifted on to the wharf.* [Post-script: PAC are since aware that the MFV Extractor was successfully lifted on 31 March 2017]

PAC requested that management update them on the status of the succession plan at the SHFC with regards to the General Manager position and its sustainability. *Management updated PAC that Mr Richards, the current General Manager, would retire on 31st March 2017 and the plan was for the Business Manager to take over as the new General Manager; afterwards it was planned to employ a counterpart, understudying the new General Manager.* [Post-script: PAC noted that subsequent to the hearing, the General Manager retired and the Business Manager resigned so the planned succession as outlined will not be easily realised]

PAC highlighted that they made a number of recommendations, for the year ended 31st March 2015 and were appraised by management of the progress towards the implementation of the following recommendations:

- SHFC differentiates between local and export markets and introduces local and export tariffs which would benefit fisherman and keep costs down in the local market.
- SHFC prioritises the lifting of the MFV Extractor so that the proceeds of the SMRL shares can be realised.

Recommendations

In relation to its scrutiny of SHFC financial statements for the year ended 31 March 2016, **PAC recommends that:**

- SHG explore the introduction of an export credit scheme to help SHFC with cash if they can produce documents to prove export shipment.
- PAC notes with concern, the high electricity bills that SHFC is paying and encourages SHFC to further improve energy efficiency and negotiate with Connect a bulk user electricity tariff.
- PAC notes with concern, the high freight charges for moving fish for export and encourages SHFC and AWSL to consider negotiating an export rate to encourage sustainable business.

VI. St Helena Government (SHG) 2015/16 Annual Financial Statements and Management Letter

The following persons attended to answer questions in respect of SHG:

- Financial Secretary – Mr Dax Richards
- Assistant Financial Secretary – Mr Nicholas Yon
- Head of Finance Services – Ms Connie Stevens
- Financial Accountant– Mrs Jessica Harper

The audited SHG Financial Statements for the year ended 31 March 2016 was laid at the 14 of March 2017 Legislative Council meeting and referred to PAC for scrutiny as required by law. PAC noted with pleasure that the audit process concluded in a timely matter for the first time since adopting the accruals basis for preparing accounts in 2011/12.

PAC highlighted that St Helena Government 2015/16 Audited Financial Statements received a qualified opinion from the Chief Auditor, meaning that there are reservations which affect the fair presentation of the accounts, along with other significant matters which are drawn to the attention of Legislative Council.

PAC enquired as to how much of the DFID agreed £16.5m 3-year Capital Programme funding (2014/15 to 2016/17) was actually spent in the period, and if slippage, what the main causes were. *Management replied that as of 31st March, £15.1m was spent, and that the remaining £1.4m was earmarked for an extension through to 30th September 2017. Management highlighted that the challenges were technical capability on island and putting in place appropriate governance arrangements for delivering projects. They further assured that these challenges have been addressed, through a Programme Improvement Plan required of SHG by DFID.*

PAC further enquired if any wasted or abortive capital expenditure was incurred in the period. *Management confirmed there had been some change in direction for some of the projects that could result in some capital expense being wasted or abortive but the extent would depend upon whether the completed works could be repurposed.* PAC noted this explanation and will revisit when the situation is finalised.

PAC enquired about the scale of the forward 3-year Capital Programme. *Management updated PAC that they were still in discussions with DFID around possible funding, aiming to agree on a longer term horizon than three years.* PAC expressed some concern that the forward Capital Programme for SHG remains unconfirmed as this may adversely impact the planning and delivery of current and proposed capital schemes.

PAC enquired for an update on when guidance for where the prison is going to be built would be available, cost, and if there will be sufficient funding. *Management hoped to shortly be able to discuss the new location in Executive Council. Until the site of new prison is finalised, they cannot provide the exact cost, and an understanding of funding will not be available until after 30th September 2017.*

PAC requested an update on the status of the legal transfer of aid funded assets to the ownership of SHG and timeline of when this is expected to be finalised. *Management highlighted that the process was started in 16/17 financial year, and they envisage it being completed in the 17/18 financial year.*

PAC enquired on the measures being taken to resolve the Basic Island Pension (BIP) audit qualification on eligibility qualification, and the timeline for resolving it. *Management explained that a considerable amount of work is being done to collect the additional evidence requested, and that the original timeline of June 2017 is still achievable. To date, 391 (60%) out of 662 BIP files have been reviewed to identify the outstanding information, 129 (30%) of those reviewed are completed in terms of having all evidence on file. Management confirmed that the planned date of June 2017 to complete the file review remains realistic although it may take some further time to secure the required evidence.* PAC further enquired on the reason the necessary information was not retained in the file. *Management confirmed that it would have been the fault of SHG in terms of not retaining this evidence, and further assured that nobody will be disadvantaged by the process.*

PAC enquired from management when they are going to consolidate the financial statements of all SHG controlled entities as required per IPSAS 6, and if these will form a part of the 2016/17 financial statements. *Management confirmed that for the 16/17 SHG financial statements they plan to prepare two sets of financial statements; the separate financial statements of SHG (Entity Financial Statement), and the consolidated financial statements of SHG (Group Financial Statement). The second set will be produced after the controlled entities (Bank of St Helena, Enterprise St Helena, Connect St Helena, St Helena Hotel Development Ltd and the Currency Fund) have had their accounts audited.*

PAC further enquired why this consolidation had not happened in previous financial years. *Management informed that due to what could be delivered with resources and timelines available, they opted to focus on SHG Entity Financial Statements and the backlog clearance.*

PAC turned their attention to the concerns raised by the Chief Auditor in the Management Letter regarding increases in the public service pensions, and enquired about the regularity of these increases. *Management pointed out that there's a slight difference of opinion as to whether anything went wrong. They informed that when seeking approval from the Governor to increase the pensions for 15/16, as per a decision made in ExCo in 2014 to link the increase in SHG Defined Pension Scheme to the increase in Basic Island Pension, it was recommended to increase the pension by the same amount as the BIP. As the information basis for the request for approval was found insufficient by the Chief Auditor, changes have been made so that the advice given by the Governor will include information on increases in Public Service salaries with effect from the 17/18 financial year.*

PAC further enquired about two more issues regarding the same; the actuarial assumptions and the prudential impact of the pension increases, starting by enquiring as to how the SHG pension liability had almost doubled from £31m at March 2014 to over £60m at March 2016, and to what extent the increase results from increases granted to pensions in payment. *Management highlighted that the liability is dependent upon a number of assumptions made on the advice of their actuary, based on both review of historic information and future terms, and confirmed that an increase in SHG pensions going forward is one of those assumptions.* PAC then followed by asking if it is the Financial Secretary that estimates the prudential impact on the liability when determining any proposed pension increase. *Management explained that they will work with the Actuary to determine how proposed pensions increases are likely to impact the scheme liability.*

PAC enquired why public service pensions have increased by more than 16% more than public sector pay over the 5-year period between 2010/11 and 2015/16. *Management referred to the policy decision of linking the increase in pensions to the increase in Basic Island Pensions rather than linking it to SIIG salaries, as the pensioners in receipt of payments would have to face the same level of expenditure as anybody on BIP.*

PAC enquired, as pension liability transactions, balances and disclosures have been continuously omitted in the draft financial statements submitted for audit and consequently added during the audit as material adjusting journals, what process management has initiated to ensure that pension values from the actuaries are obtained timeously and expected date of receipt. *Management informed that the Government Actuaries Department (GAD) has been commissioned to conduct the valuation for 16/17, and that their report should be received by mid-June 2017, to be included in the first draft of financial statements*

PAC enquired if the General Reserve, forming part of the consolidated fund and with a closing balance of £3.1m, is the only useable reserve within the consolidated fund. *Management confirmed that in terms of a useable proportion of the fund the £3.1m is what is considered to be the cash balance on the Consolidated Fund.*

PAC then enquired to what the preferred level of balance to be maintained is. *Management explained there is nothing set down in statute as to what the level should be, but that from a treasury management perspective, it has informally been agreed that the minimum balance of £1.25m is necessary to see the day to day operations of SHG continue.* PAC further enquired as to what rationale is used to determine the minimum level of reserve balances, and what the level of the General Reserves balance at 31 March 2017 is predicted to be. *Management informed that it was felt the £1.25m is realistic based on being able to meet the cash requirements of the SHG service. They also informed that the level at 31 March 2017 is projected to be close to the minimum balance, between £1.3m and £1.5m.*

PAC raised concerns about the issue of redundant Special Funds disclosed in Note 23 to the accounts, and enquired regarding the dormant funds which appear to carry an overdrawn balance. PAC asked management to explain the nature of the overdrawn balances and how they arose. *Management explained that the balance of the DFID Technical Cooperation Fund had been on the accounts for some time, relating to the timing of the start of the Education Sector Support Programme Phase 2 as per the MOU, and the start of the actual spending of funds. Expenditure was incurred before it could be claimed from DFID as the MOU had not yet been signed off. As for the Unallocated Stores Trading Account, management explained that the balance was due to the closure of the Unallocated Stores and write-down of obsolete stock. Management further explained they are looking to clear those balances in the 17/18 financial year, and that if there needs to be an authorised write-off, the amount will have to be taken from the Consolidated Fund.*

PAC highlighted that they made a number of recommendations, for the year ended 31st March 2015 and were appraised by management of the progress towards the implementation of the following recommendations:

- SHG maintain a register of all audit recommendations, action plans and timelines to ensure that all qualifications are resolved by 31 March 2018.
- SHG sets clear project deliverables with timelines to ensure that the asset valuation project meets its objectives and assets are completely disclosed in the 2016/17 Annual Financial Statements. A committee of relevant stakeholders be convened with clear Terms of Reference for the duration of Asset Valuation project, which could expedite the retrieval of required information.
- SHG ensure that instructions for the valuation of the pension liability is issued timeously to the Government Actuary Department (GAD) to ensure that the movement in the pension liability is recorded as part of the 1st draft Annual Financial Statements submitted for audit to the Chief Auditor.
- SHG ensure that Basic Island Pension and Income Related Benefits are disclosed separately in the notes to the Annual Financial Statements to enhance the understand ability of the AFS by the users.
- Connect – SHG explain whether value for money was obtained for the aid-funded water design project that was subsequently written-off by Connect.
- BOSH – SHG determine its future strategy with respect to the SHG shareholding in the Bank and explore options for disposal or dilution of shareholding, through an independent public offering.

Recommendations

In relation to its scrutiny of SHG financial statements for the year ended 31 March 2016, **PAC recommends that:**

- PAC notes with disappointment that information submitted originally for Basic Island Pension was not retained on case files by SHG. SHG should review record management practices and file retention policies and implement necessary improvements / enhancements to the record management systems.
- The Financial Secretary set out an updated rationale with supporting analysis to determine a minimum and preferred level of working balance on the Consolidated Fund for approval of SHG and DFID in partnership.

- PAC notes with particular concern the two overdrawn Special Funds amounting to £350,000. Financial Secretary should arrange for these balances to be approved for write-off in accordance with Financial Regulations. Further the Financial Secretary takes specific steps to avoid project expenses being incurred prior to the operative date of donor funding agreements.
- SHG submits a written rationale for the write-off of the FairHurst Water Design Consultancy in the amount of £665,000 [PAC recommendation in SP35/16 also refers]. The Financial Secretary to confirm the accounting treatment adopted for the write-down of the Connect Shareholding in this amount conforms to Financial Regulations and required authorisations.

VII. Bulk Fuel Installation (BFI) 2015/16 Audited Annual Financial Statements

The following persons attended to answer questions in respect of BFI:

- Financial Secretary – Mr Dax Richards
- Assistant Financial Secretary – Mr Nicholas Yon
- Finance Manager Solomon & Company – Ms Jody Grant Lawrence
- General Manager Agencies Solomon & Company – Mr Jason Thomas

The Bulk Fuel Installation is a significant trading activity of Government with the operations managed by Solomon & Company under contractual agreement. The BFI accounts for 2015/16 are audited by the St Helena Audit Service and referred to PAC by the Chief Auditor.

PAC drew attention to the information found in the Chief Auditors' Management Letter on the SHG accounts regarding the trading performance of the BFI and the cumulative net loss for the 4-year period from 2012/13 – 2015/16 of £432,000. PAC enquired why these operating losses had occurred. *Management explained that Executive Council had considered the operations of the BFI on the basis of a short handover period between the existing Installation managed on behalf of SHG by Solomons and the new Bulk Fuel Installation, and had not adjusted the mark-up to take into consideration the additional costs incurred. It is unlikely that the new Bulk Fuel Installation will be operational before the start of 2018, and management advised that that the mark-up has been adjusted for the financial year 16/17 to cover the running costs; a surplus of £60k was estimated.*

PAC enquired if management agreed that the effect of not adjusting the overhead recovery rate earlier had resulted in an untargeted fuel subsidy in the amount of £379k, and what impact this had on SHG finances in terms of lost revenue. *Management highlighted that the majority of the benefit would have gone to Connect in terms of lower fuel cost for the Power Station, and therefore the general populace of St Helena had benefited from the mark-ups not being increased. Nonetheless management confirmed this was an untargeted subsidy.*

They further advised that there would not have been any direct impact on SHG lost revenues, but on the revenues of BFI, and agreed that these losses would have been absorbed for a number of years prior to the adjustments. PAC were unconvinced by this argument since it would have adversely affected revenues recorded in the Statement of Financial Performance albeit the balance would have accrued to the BFI special fund rather than Consolidated Fund.

PAC requested management to elaborate on the predicted 16/17 operational performance for the BFI. *Management confirmed the estimated surplus of £60k, but advised that it was necessary to take into consideration the two last shipments, including MV Greta, before they would be able to finalise the figures.*

PAC enquired as to the reason why 2 fuel tankers, MV Greta and the Jo Tanker, arrived at almost the same time. *Management highlighted that if MV Greta had not arrived, the island would have been without fuel for three days. They further explained how fuel ordering is calculated, and that the process of receiving the fuel is based on availability of vessels from Jo Tankers. For the shipment in question, there was an overall delay from Jo Tankers, upon which a series of successful measures were taken to conserve fuel and maintain supply for three weeks. When further delays occurred to the Jo Tanker, there was no option but to import an emergency supply of fuel on the MV Greta. PAC requested that management disclose the cost of the emergency charter over and above the normal fuel costs, and how it will be recovered. Management advised that it was significantly higher than the normal tanker, but that the figures have not yet been finalised. SHG are looking into the different options of recovery with Solomons, conscious of the impact it will have on the general public. PAC further enquired as to the reason the fuel stocks were allowed to be exhausted to emergency levels, and if this was a consequence of reduced storage capacity in the old BFI. Management advised that since taking over a temporary tank farm used by Basil Read, they have gained capacity in storage since relinquishing the beach site. They further advised that despite the forecasting including a safety period, a buffer period and a contingency plan, it would have been difficult to conserve the quantity of fuel needed to be able to maintain the supply for the additional four days needed.*

PAC enquired on the reason for the delay in the New BFI. *Management explained that there had been a number of issues around the design, as the original Atkins design had been found by the Fuel Management Contractor, Penspen to need significant revision in terms of the practicality of using the facility. The result has seen significant changes to the design, causing a delay* PAC enquired on the reason Penspen had not been brought onboard earlier. *Management explained that the services of Penspen were only engaged after a formal tender for the process was sent out, and they were brought in as the Fuel Management Contractor in 2014/15.*

PAC enquired on who would meet the additional costs involved in the new installation, the cost consequences of the delay and if there are any effects on the ongoing operations of the current BFI. *Management advised that there are ongoing discussions between DFID and SHG, and that SHG does not have the*

resources to be able to finance the additional cost. They further advised that there is likely to be a variation order to cover the additional costs associated with the new BFI which will be financed by the Airport project. Management was not aware of any effects to the ongoing operations of the BFI, but highlighted that the delay did not give the level of certainty that the current BFI managers would like in terms of continuation of operations.

PAC enquired on the risk management plan during the transition and decommissioning phase, and the suitable controls that would be introduced to protect assets from losses as well as ensuring completeness of revenues. *Management explained that in terms of the transition, there is a multi-stakeholder engagement group already working on the process, which includes Corporate Finance, Solomons, Penspen, the Access Office and Halcrow. Closer to the process, they envisage that they will be able to give more certainty as to the activities coming up over the next 18 months. They have not yet had the opportunity to address the impact on revenues.*

PAC enquired when the fuel managers (Solomons) would review the accounting estimates and provisions in view of the planned cessation of operation under the 2016 agreement and decommissioning of infrastructure. *Management informed that they have already made provisions for accelerated depreciation of the fixed assets and in addition, they will consider the potential losses in terms of stock when the current installation comes to cessation.*

Recommendations

In relation to its scrutiny of BFI financial statements for the year ended 31 March 2016, **PAC recommends that:**

- SHG ensures that government trading activities are monitored through monthly management accounts and corrective action is taken timeously where operating deficits are arising.
- SHG quantifies the decommissioning costs of the old BFI and clarifies from where these costs are to be funded.
- SHG provides a written statement on the additional costs incurred through the emergency fuel shipment charter and explains how this additional cost will be funded.
- SHG takes steps to ensure that bulk fuel reserves are planned and replenished at intervals sufficient to avoid the additional costs involved in emergency shipments of fuel.

VIII. St Helena Currency Fund (SHCF) 2015/16 Audited Annual Financial Statements

The following persons attended to answer questions in respect of SHCF:

- Currency Commissioner – Mr Dax Richards
- Currency Commissioner – Mr Nicholas Yon

The audit of the Currency Fund accounts for the year ended 31 March 2016 was completed in November 2016. The accounts are prepared on a recognised financial reporting framework, International Public Sector Accounting Standards (IPSAS). The 12 month reporting timeframe per section 22(1) of the Currency Ordinance 2007 was met for 2015/16

PAC enquired why the amounts owed by SHG to the fund had grown to £0.7 million by year end 31 March 2016 thus representing idle money that is not earning interest and when was this money going to be paid back to the Currency Fund. *Management explained that SHG undertakes all cash payments on behalf of the Currency Fund and monies are transferred to cover these receivables and may sometimes be transferred in advance. Subsequent to the year-end payments in excess of £0.4 million were made and a balance of £0.2 million remains. Physical transfer of cash between SHG and Currency Fund Investments that are held by Crown Agents are made. This balance will be maintained at that amount since SHG makes all payments.*

PAC enquired if the Commissioners having to make decisions for both SHG and the Currency Fund presents a conflict of interest issue as they both have vested interests in the two operations. *Management highlighted that the arrangement has been in place since 1985 and proper governance has always been maintained on the Currency Fund. Management did not think that these roles have a detriment on the Currency Fund's ability to deliver on its objectives.*

PAC highlighted that they made a number of recommendations, for the year ended 31st March 2015 and were appraised by management of the progress towards the implementation of the following recommendations:

- Currency Commissioners perform the required research and publish a report to assess the merits and demerits to maintaining the St Helena Pound and the Currency Fund.

- Currency Commissioners assess the different options regarding the issuing of commemorative coins, and specifically whether these should be deemed as legal tender.

Recommendations

In relation to its scrutiny of SHCF financial statements for the year ended 31 March 2016, **PAC recommends that:**

- SHG continuously manages its ex-officio roles and responsibilities of Currency Commissioners so as to recognise the inherent conflict of interest in these appointments and ensure fair play between the stewardship of the Currency Fund and the operations of the SHG treasury functions.
- PAC formally notes a review on the St Helena Pound versus Sterling is being performed and anticipates proper consideration of that report after all due processes have been followed [PAC recommendation in SP 35/16 refers].

IX. St Helena Hotel Development Limited (SHHDL) 2015/16 Audited Annual financial Statements

The following persons attended to answer questions in respect of SHHDL:

- Director – Mr Dax Richards
- Director – Mrs Susan O’Bey

The independent examination of the St. Helena Hotel Development Limited (‘SHHDL’) financial statements for the year ended 31 March 2016 was completed in November 2016. In accordance with the Interpretation (Amendment) Ordinance 2014 an independent examination is permitted rather than an audit when the turnover of the entity does not exceed £500,000. The Directors of the company have determined that Financial Reporting Standard 102 (‘FRS 102’) shall be the recognised financial reporting framework.

PAC requested an update on the construction process and the target completion dates. *Management highlighted that the hotel construction has been progressing well, anticipate that the works will be completed by July 2017 and possible opening around September/October 2017.*

PAC enquired as to what processes were in place to ensure construction quality assurance and controls. *Management explained that AGMAC is the construction contractor and during the planning stage due to the safety conditions that needed to be met, SHHDL decided to use South African Building Standards (SABS) for this project given that the contractor is South African based. These standards will be reviewed by the Building Inspector on a regular basis and the contractor will be providing self-assurance on their work as well.*

PAC enquired as to how comparable were the SABS to British Building Standards. *Management highlighted that they did not have the technical knowledge to explain the differences but the use of the SABS had been accepted by the Building Authorities and these are the same standards that were used for the airport project. In certain respects management identified that the SABS standards were more stringent than the local standards such as in the removal of asbestos.*

PAC enquired on the issue of why the contractor was allowed to do self-assurance. *Management explained that Mantis Development is responsible for the quality assurance of the project who are supported by Barrier and Synergy to provide technical assistance.* PAC requested that a written statement be issued indicating at what point in time the Land Development Control Authority

and Building Inspector had been involved, what checks had been undertaken to date and any feedback that they provided.

PAC enquired what the hotel construction costs were, inclusive of the contract and the total provisional sum for all construction and fit out ready costs for opening. *Management explained the construction cost is £3.6 million with £0.3 million to cover the pre-opening expenses as well working capital requirements, which comes to a total of £3.9 million.*

This will be financed by a secured loan of £1.378 million from BOSH, a loan of £1 million guaranteed by and cash funding of £1.5 million from SHG. In addition the properties of 1, 2 and 3 Main Street have been transferred to SHHDL at £0.6m

These component costs and financing enabled the PAC to build the following picture:

Expense	£m	Financing	£m
Design and construction costs	3.6	BOSH loan – secured against property	1.4
Pre-opening and working capital	0.3	BOSH loan –guaranteed by SHG	1.0
Transfer of property	0.6	SHG equity investment as cash	1.5
		SHG equity investment as property	0.6
Total investment	4.5		4.5

PAC enquired whether any contingency provisions had been included in the contract terms in the event of unforeseen costs. *Management highlighted that the original budget for the project was £3 million and due to the deterioration of the pound against the rand by about 20% the contract price was revised to £3.6 million. Management had also looked for savings without compromising the quality of the final product. If the pound continues to deteriorate against the rand the SHHDL were negotiating with Mantis Collection on taking an equity stake in the hotel. PAC enquired on this point as they were of the view that equity uptake would be prioritised for St Helenians. Management responded that these were options that they were drafting within the Hotel exit strategy that would be submitted to Executive Council for consideration.*

PAC highlighted that they made a number of recommendations, for the year ended 31st March 2015 and were appraised by management of the progress towards the implementation of the following recommendations:

- SHG should document how it intends to manage the capital risk associated with the public investment in the hotel venture through SHHDL.
- SHG develop a time bound exit strategy for disposal of the public investment in SHHDL.

Recommendations

In relation to its scrutiny of SHHDL financial statements for the year ended 31 March 2016, **PAC recommends that:**

- PAC notes that South African Building Standards are being used in the building of the Jamestown Hotel and that the work being performed based on these standards will be self-assured. SHG should advise:
 1. Whether the South African Building Standards are compliant with the St Helena Building Regulations and what risks are presented by allowing South African standards to be applied and what mitigations have been put in place?
 2. Whether proper approval was given by the appropriate Authority for the disapplication of St Helena building regulations in the construction of the Hotel?
 3. What oversight is being provided by the Building Inspector as to the compliance with building regulations, and otherwise, whether the services of a South African certified Building Inspector should be engaged to independently validate the self-assurance performed by the contractor?
- The Chief Planning Officer and Building Inspector specify definitively the standards that are applicable to building construction in St Helena and the Building Regulations to be updated and approved accordingly.
- SHHDL provides a written statement indicating when the Land Development Control Authority, Chief Planning Officer and Building Inspector were involved, what amendments to plans have been made, inspections undertaken to date and any approvals provided.
- SHG to evaluate the range of skills on the SHHDL Board specifically in terms of engineering and legal expertise so as to mitigate any risks coming from the project and reconsider explicitly the question of conflict of interest of the present directors in SHHDL.
- SHHDL clarify the terms of any contractual relationship between the company and Mantis Collection for the running of the completed hotel and explain the impact on the exit strategy.

3. Concluding Remarks

On behalf of Legislative Council, PAC would like to thank Mr Stedson Francis for his sterling service to the Committee during his time served and wish him well. PAC acknowledges the work of the Chief Auditor and staff of the St Helena Audit Service and attending officers of St Helena Government in assisting with this sessional report.

This sessional report on PAC proceedings held on 22 March and 10 April 2017 is hereby authorised for issue to Legislative Council.



Cyril (Ferdie) Gunnell
Chairman
4 May 2017

