



AUDIT MATTERS

SAINT HELENA AUDIT SERVICE

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Introduction

We're fast approaching that time of year again when we get to relax (?) from work for about a week or so and I think everyone at the Audit Service is looking forward to it, especially after the CAT, ACCA and IIA exams.

Quite a lot of things have been going on since our May issue—we're still without a Chief Auditor though I believe interviews for short listed candidates are scheduled for early this month. In my role as Responsible & Accounting Officer for the Audit Service since July, it's been challenging, interesting and definitely a beneficial experience for me.



In the meantime though we've had Peter Carlill (left) from the National Audit Office (NAO), UK with us for a month in November as Interim Chief Auditor to carry out quality control procedures on the audit work completed and to finalise and sign off the Audit Management Reports and Audit Opinions for our clients. Peter was also able to fit in delivering some financial audit training for our staff and provided assistance on performance audit (VFM) related work during his time with us.



Career Opportunities

This month the Audit Service has a vacancy for the exciting post of **Value For Money Audit Manager**—check out our web-site for further details including the job profile or call me on 2112, if you'd like to know more.

The new year also expects to see vacancies for Auditors—so watch this space if you want to make a change for the better!

Exams, and more exams!

December is the month for exams here at the Audit Service as well as in a number of other SHG departments.

Audit staff have now sat ACCA and CAT exams in the 1st and 2nd weeks of December and we wish everyone all the best and good luck for positive results in February 2007!

Xmas greetings to all and hope you find this issue interesting & informative.



*Bronwen,
Editor*

EXTERNAL AUDIT SERVICES



External Audit Team Developments

Client specialists Charlene Young and Helena Bennett have temporarily left the external audit service; Charlene on overseas leave and Helena performing the role of VFM Manager in an acting capacity.



These changes have provided development opportunities for existing staff. Assistant Auditor, Krystal Phillips has taken on auditor responsibilities in Charlene's absence and Auditor, Delma Williams has taken on Helena's lead auditor responsibility.



Progress on External Audit Activities

The Chief Auditor is responsible for the issuance of audit opinions.

The resignation of Andy Bonner, former Chief Auditor in July and an indication that the Chief Auditor post would not be filled until January 2007, meant that the Audit Service would be unable to fully deliver the external audit service for several months. Arrangements were therefore made to "fill the gap". *Peter Carlill* was recruited in the capacity of *Interim Chief Auditor* for the month of November 2006.

The External Audit team has been working closely with Peter over the past month and through their commitment and dedication, **audit opinions** were issued on the **annual financial statements of six entities**:

- * Currency Fund,
- * St Helena Development Agency,
- * St Helena Fisheries Corporation,
- * St Helena Growers Co-operative Society,
- * St Helena National Trust, and
- * UK Development Aid Projects.

For the year 2006/07 to date, audit opinions have been issued to 9 clients. 2 of these clients have received their opinion 2-3 months earlier than last year.

Performance Review



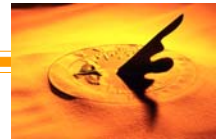
Audit procedures are continuously reviewed to seek improvement and enable delivery of a high quality and cost effective audit service. As part of this process, an annual review of our performance compared with the requirements of international auditing standards will shortly commence.

Peter Carlill has also been invaluable in this process, imparting knowledge and offering feedback on our external audit procedures during his brief visit.

Financial Statement Review Engagements (FSRE's)

Last issue we mentioned the introduction of FSRE's. Two of our smaller clients signed up for an FSRE and another has indicated interest pending amendment of legislation.





INTERNAL AUDIT SERVICE

Risk Management Workshops

Since we last reported on introducing risk management and conducting **Risk Awareness Workshops** throughout SHG departments, I'm happy to advise that risk management workshops have been held in two departments thus far. The concept of risk management and the workshops held in both departments were very well received with positive attitudes by all involved. To date the first step, **risk identification**, in the risk management process has been completed and we all look forward to working together on the next steps in formulating the individual departmental risk registers.



First Audit Committee Meeting



Following the issue of a press release by us in May earlier this year (*see our web-site-PR008*) on the introduction of an Audit Committee within SHG, the inaugural meeting has now been held and a chairperson elected. The Audit Committee comprises; *Chairperson:* Christine Turpin - Accountant, FPA and *Members:* Amias Moores - Governor's Staff Officer, Frank Wastell - Crown Council, Rosie Bargo - BOSH Representative, Julie Lawrence - Solomon & Co Representative and the Chief

Auditor.

Exactly what will be it's role you might ask? - the Audit Committee will serve as a best practise mechanism to help ensure the healthy internal workings of SHG—and also help answer the question, "Who audits the audit function?"

The tasks, responsibilities and the goals of management, audit committee and internal auditors are closely linked in many ways. The audit committee has a major responsibility in assuring mechanisms for achieving accountability are in place and functioning—one of these mechanisms being a solid relationship with internal audit. Together they can ensure the achievement of quality of services for the community and accountability over the use of public funds.

First IIA Student for St Helena



As Internal Audit Manager, and my area of speciality in audit being internal audit, I was enrolled on a distance learning course with the Institute of Internal Auditors (IIA, UK) earlier this year as part of my learning and development within the field.

The course entitled Diploma in Internal Audit Practise is equivalent to the third year of a degree and students have three years to pass all exams. The Diploma is designed for practising internal auditors and equips them with a thorough grounding in the knowledge and skills required to develop their internal auditing career. It covers the principles and practises of internal auditing, risk management, control and governance.

I sat my first exam on the 14th November at Prince Andrew School and results will be available in January 2007— fingers crossed it's favourable! - that's one down and four more to go.

Progress to date on Internal Audit Activities

In addition to the ongoing risk management workshops being held, internal audits performed for the year to date:



◆ Core Systems, Finance

◆ Unallocated Stores, PWSD



◆ Physical Planning, LL&PD

◆ We provided a consultancy service to ANRD on their **Vessel Monitoring System;** and

◆ **IT Security** - currently in progress



ST HELENA AUDIT SERVICE



INVESTORS IN PEOPLE

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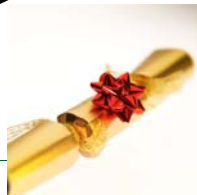
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*We're on the
Web!
www.audit.gov.sh*



Public Consultation Time Again

A reminder to everyone that in March / April 2007 the VFM Audit Service will once again hold its annual consultation period, where you are invited to share your concerns on any Government activity and we welcome your suggestions on areas for review.



VALUE FOR MONEY AUDIT SERVICE



Management Arrangements

Following the resignation of Chief Auditor, Andy Bonner in July 2006, the Value for Money Audit Service is being managed on a temporary basis by VFM Auditor, Helena Bennett in the capacity of Acting VFM Audit Manager.



Arrangements are currently in progress for recruitment of a dedicated Audit Manager.

Progress to date on VFM Activities

The VFM Audit Service has over the past six months been working on and delivered:

- * Report on 'SHG's Use Of Consultants',



- * Reviewing the adequacy of Business Planning and Key Performance Indicators (Year 2 of 3) for 4 more SHG departments,

- * Performed a "fast-track" audit on the usage of 'E-mail vs Fax' in SHG departments,



- * Undertook at the request of the Education Department, an independent comparative review of the analysis used for the Education Restructure of Primary Schools.

The review of Home To Duty Transport and Public Transport System is scheduled to commence soon and estimated for completion end January 2007— the outcome I expect, eagerly awaited by SHG employees with regard to home to duty allowances.

Promoting Openness and Transparency

A reminder to all readers that all VFM reports issued are now made directly available to the public—They can be read at the Public Library, our office with prior arrangement — or through www.audit.gov.sh To receive notification of reports as soon as they are published, you can join the e-mailing list by visiting the publications page on our website.

Remember the word AUDIT
derives from the Latin phrase '*to listen*', -
the Audit Service is here to **listen** to you!