



AUDIT MATTERS



SAINT HELENA AUDIT SERVICE

Volume 1, Issue 6

July 2008

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Introduction

Welcome to the 6th edition of our newsletter.

The purpose of this newsletter is to provide a medium whereby SHG's workforce will be given an insight into exactly what we're about and what we do. We would encourage you to submit any queries that you may have concerning our role which we would cover in our next issue.

In this issue we bring you an update on each of the three audit streams, staff successes and changes plus other events.

Hope you will find this issue interesting & informative
*Liz,
Editor*

Business Plan

Our Business Plan for 2008/09-2010/11 has been finalised. It sets out how the Saint Helena Audit Service intends to serve Legislative Council and our other clients and stakeholders over the next three years and has been prepared in consultation with HE the Governor, Legislative Council and Audit Committee.

We acknowledge that as St Helena prepares for Air Access, Government will lead, and undergo, many important changes and the risks that it faces will also change. The need for accountability and good governance is therefore higher than ever, and the challenge facing the Audit Service is to help ensure that these needs are met by providing quality professional assurance to services. Visit our Website at www.audit.gov.sh to view our Business Plan.

Staff Development Day



The Audit Service closed on 6 May for their Staff Development Day. The programme included brainstorming of how we could do things differently, looking back over the past years experience, the Audit Service in five years time and review of our performance in 2007/08. These issues stressed the things we need to do with regards to Independence, Cost, Timeliness, Good Relationships and Competence.

After lunch, staff recharged thinkers for more brainstorming by relaxing their minds in a time of fun with a Taekwondo Session.



CAT Success

Helena Bennett, our Trainee Value For Money Audit Manager, has successfully completed and passed all 9 examinations required by ACCA for the Certified Accounting Technician (CAT) qualification in December 2007 and has completed the work experience requirement. This has made her the second member of the Audit Service staff to attain the qualification.

Helena has since progressed to the ACCA Professional Scheme and sat her first Professional Scheme paper in June. We wish Helena every success and favourable results on her professional studies as achieved with the CAT scheme.

NVQ Successes



The NVQ 2008 Awards Ceremony held in June this year, saw two of our staff members receive awards following the successful completion of the NVQ Business & Administration assessor and candidate courses. Bronwen, achieved the A1 Assessor Award L3 and Anna, the L2 award. Bronwen enrolled on the course to enable Anna to undertake and complete her NVQ qualification as part of the Audit Service's commitment to supporting training and development, this has now led to benefiting SHG overall as Bronwen is a peripatetic assessor and assesses candidates in other departments on the Business & Admin course.

EXTERNAL AUDIT SERVICES



Financial Reporting Standards for Smaller Entities (FRSSE)

Raising the quality of financial reporting is a key issue in our business plan. We have therefore been promoting FRSSE's to our clients who prepare financial statements on an accruals basis. The aim is to improve the quality and consistency of financial reporting and make the tasks of preparing and auditing financial reports clearer to all concerned. Support and guidance will be provided to clients who adopt these standards.

Public Accounts Committee (PAC)

PAC is a key component of good governance. They are tasked with the scrutiny of annual accounts of SHG and other bodies that lay accounts before Legislative Council.

The Chief Auditor provided guidance to PAC members in preparation for their scrutiny of the 2005/06 annual accounts. The external audit team will continue to provide guidance to members of PAC to assist their scrutiny role.

Progress with External Audits

Opinions on annual accounts for 2006/07 have been issued to all clients with the exception of BFI; finalisation of this audit is pending revised financial statements.

The opinion on the Legal Assistance Fund 2007/08 accounts has been issued.

Four audits for 2007/08 annual accounts are in progress a financial statement review for one of our smaller clients. We are also auditing the 2006 annual accounts for Tristan Da Cunha.

VALUE FOR MONEY AUDIT SERVICES



Value For Money Audit Developments

Public Accounts Committee

The VFM Audit Team has recently established a good working relationship with PAC. We present and discuss our audit findings on finalised reports, as well as follow up recommendations made from previous audits. We have this year (2008/09) received two requests from PAC to carry out fast tracks audits on areas of concern to them. The VFM auditor has also provided secretarial support to PAC, thus making valuable contribution to the organisation of the Committee.

2008/09 New Audit Approach!

This year we will be approaching value for money auditing differently. We have created a rolling programme of 'Big' audits, where each year four areas of government expenditure over £350,000 is chosen and reviewed. Accounting officers for these audits are initially given the opportunity to complete a value for money self assessment, where they state whether the activity is achieving value for money.

In addition to the 'Big' audits, we have made provision in the VFM audit program to look at areas where the PAC has concerns. These audits are called Fast Tracks.

Progress on Value for Money Audits:

Over the past nine months, the VFM Audit Service had delivered the following audits, which were also presented at the Legislative Council session held 6th June 2008:

- Transport Review
- Agricultural Subsidy Follow-up
- Basis for Medical Fees and Charges Follow-up
- Central Billing Utilities Review
- Business Planning and Key Performance Indicators Year Three of Three
- Overseas Medical Referrals.

We are currently working on and recently delivered:

- Post Office Review.
- Fast Track - SHG Transport review, in progress.
- Shipping - initial review in progress.
- Community Care, in progress.
- Value for Money Self Assessments have been sent to the Financial Secretary and Public Works and Services Manager, for the Bulk Fuel Installation and Electricity audits respectively. These self assessments will be completed and returned over the next few months.

INTERNAL AUDIT SERVICE



Progress on Internal Audit Activities

Since our last update on Internal Audit in the September 2007 issue, steady progress has been made in the delivery of the service, with the following audits on the 2007/08 audit plan being completed:

- Customs
- Revenue Operations
- Fire and Sea Rescue
- Building Maintenance
- Tourist Office
- Health Link 2
- Land Disposal
- Social Benefits

On the implementation of risk management across SHG, risk workshops will resume shortly. To date, 4 departments have implemented risk registers as part of risk management programme.

Team Developments

Overseas Training

February 2008 saw the return of the Internal Audit Manager Bronwen Yon, from overseas training in the UK. Bronwen attended and successfully completed two training workshops in London over a four day period in Effective Delivery of an Audit and Communication and Client-Auditor Relationships. These were compulsory skills modules required as part of her studies for the Diploma in Internal Audit Practice with the Institute of Internal Auditors, UK. The training included an attachment at the Buckinghamshire County Council located in Aylesbury, UK. There she was assigned to the Governance and Internal Audit Section and contributed to the section's output by completing a key audit in Procurement.

Bronwen says *"The attachment at Buckinghamshire has been invaluable and extremely beneficial to honing my skills as the Internal Audit Manager, and it also provided the insight and external exposure necessary to assist in relating certain aspects of my studies to."*

Some positive feedback was received from the Audit Manager of the Buckinghamshire County Council which states *"We were happy with Bronwen's secondment and the valuable assistance she gave us. It was a two way process and we as a team learned quite a lot about the island's internal audit service. At the beginning of the secondment she settled in very well in what must have been an environment very different to what she is used to. She soon became a valued member of the team. Bronwen is an excellent auditor with a very professional attitude. She mixed in very well with the other team members in the Governance and Internal Audit Section."*



Aylesbury Market Square

From the beginning she demonstrated that she clearly has excellent audit experience and audit management experience. During her secondment the section was under pressure because of staff vacancies and audit resources were at a premium. She immediately grasped the situation and contributed to the section's output by completing a key audit (Procurement). This was by no means a straightforward audit but she still produced an excellent audit report. She would be a credit to any Internal Audit Section of which she is a member."

Departure

Unfortunately, in June 2008, Trainee Internal Auditor, Brenda Moors-Clingham resigned after one year's service to pursue other interests. This has resulted in the vacant post of Internal Auditor for which applications closed on 9th July.

Audit Committee

In April 2008, the Audit Committee whose purpose is to oversee the performance of the Internal Audit Service, approved the audit plan for 2008/09 and the first assignment on that plan, Procurement, is currently in progress.

There has been significant developments regarding the implementation of audit recommendations and the recommendation tracker by departments, in that Heads of Department are held accountable for recommendations not implemented within the specified timeframe. The Chief Secretary coming on board and supporting the Audit Recommendation Tracker is very much appreciated.



Buckinghamshire County Office





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STAFF NEWS

Head of the Audit Service

The Chief Auditor left on 15 June for overseas leave and should return on 7 August. During his absence, Bronwen has taken on the role of Head of the Audit Service.

The Chief Auditor's leave is not all holiday as he will be attending a conference of Auditors Role and Powers of Auditors in Bermuda where he will meet with Auditors from other overseas territories and small islands similar to St Helena. This will contribute to work on island with the Legislative Council members and Public Accounts Committee.

New Faces to the Audit Service



We welcome our new External Auditor, Nicholas Yon and Audit Administrative Assistant, Jill Andrews.



Nicholas previously worked in the Department of Finance Customs Section as a customs officer.

Jill's previous work experience includes Catering Assistant at Anne's Place, SPC/Prison Officer (HM Prison), Accounts Administrator, Secretary in AK-U-Rite Tooling Company Ltd and (Agricultural) Monsanto Plc and Managing Directors Assistant in Central Detective Agency.

We hope both Nicholas and Jill will thoroughly enjoy their experience at the Audit Service.

INTERNAL AUDIT— designed to add value and improve an organisation's operations

EXTERNAL AUDIT — an exercise to enable auditors to express an opinion on the financial statements

VFM AUDIT — examines the economy, efficiency and effectiveness of activities and processes



Saint Helena Audit Service, Castle Gardens

Progression within the Audit Service



Anna-Marie, our former Audit Administrative Assistant was newly appointed to the post of Assistant Auditor on the 2nd June. We wish her success in her new career within the Audit Service.

Exams

Exam results from the December sitting was received in February. The Audit Service congratulates all those who achieved a pass.

Audit staff also sat IIA, ACCA and CAT exams in the 1st and 2nd weeks of June and we wish everyone all the best and good luck for positive results in August!

Staff Uniform

You may have noticed that the Audit Service staff no longer wears a uniform but staff are committed to maintaining their professional image through the service provided.