

Value For Money Report – SHG Agricultural Subsidy

The Saint Helena Audit Service publishes today its final report following an assessment of the Saint Helena Government Agricultural Subsidy Scheme. The concluding audit opinion is that in its current form, the scheme is *not* conducive to ensuring “Value for Money” in its use of public finances.

The current subsidy scheme took effect from April 2006 and Saint Helena Government is planning to distribute £36,620 in the form of subsidy payments to eligible persons during the 2006/07 financial year.

Chief Auditor, Andy Bonner, writes;

“The current scheme is skewed towards rewarding already successful operations and neglecting those that could benefit from development assistance. Payment is not based upon any assessment of need or targeted priority and there is no stipulation of how recipients should spend the subsidy – Put simply this means no guarantee that the subsidy contributes to sustainable development and a risk that it gives financial support, at tax-payers expense, where it is not needed.”

There has been a clear shift away from output related incentives and the subsidy is considered to be poorly aligned with Saint Helena’s new National Strategic Plan. Continuing with the scheme in its current form therefore presents a significant threat to ensuring value for money.”

Recommendations to improve the scheme have been made within the text of the report, and the Agricultural and Natural Resources Committee, working together with the Chief Agricultural and Natural Resources Officer and the Farmers Support Section have acted promptly to provide a robust action plan for implementation.

The full report is available for download at the Audit Service web site at www.audit.gov.sh, and a copy has also been placed for reference in the Public Library, Jamestown.

Background information for editors:

- 1) All Value For Money audit reports undertaken by the Saint Helena Audit Service in the public interest are issued into the public domain as soon as the final report is concluded. This has been the case since February 2006 and follows Audit Service recognition that the public are a primary audience for all of our Value For Money activities and conclusions.
- 2) A guide to Value For Money auditing can be downloaded from the publications page of our web site at www.audit.gov.sh
- 3) Any member of the public can put forward ideas and suggestions for future areas to be covered by VFM reviews simply by contacting the Audit Service and speaking to Helena Bennett (Acting VFM Manager).

Contact for more information: Helena Bennett, Acting VFM Manager, vfm@audit.gov.sh, Tel 2107

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