

# **E-MAIL VERSUS FAX**

**(St Helena Government)**



## **VALUE FOR MONEY REPORT**

*Final v1.0*





<b>DATE:</b>	December 2006
<b>AUDIT REF:</b>	V45

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## EXECUTIVE SUMMARY

This Value For Money (VFM) assignment of 'Email versus Fax' was to determine whether, given the significant increase in the use of e-mail for official communication within St Helena Government (SHG), the continued use of fax machines by individual Departments was still justified. Also, in the light of generally low fax usage levels, it examined whether fax services were being provided in the most cost-effective manner. The audit covered all SHG Departments.

Based upon the work undertaken and the findings detailed in the body of this report, our overall audit opinion is 'Adequate'. The range of possible audit opinions is Good, Adequate and Inadequate. Definitions of these opinions are provided at Appendix A to the main report.

### USE OF FAX WITHIN SHG

<b>Adequate</b>	Management arrangements are generally conducive to achieving Value For Money – but further enhancements could be made.
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Fax machines are used by all SHG Departments. Whilst they are used far less frequently than e-mail, they are considered a necessity by Departments for transmitting official documents securely, and in some cases was the only means of communication with certain clients or suppliers.

A total of 7 recommendations have been made however to improve the cost-effectiveness of maintaining a fax service and these are detailed in Section 4 of the report. In the light of generally low usage levels, Departments should:

- Merge, where practical, dedicated fax lines with dedicated telephone lines, where there are switch boards and intranet systems; and
- Consider purchasing fax machines rather than renting.

Management has agreed a total of 6 recommendations (5 of which have been classified as high priority) which amounts to a saving of £1,800<sup>1</sup> per year across 5 Departments. The 1 recommendation that was not agreed, the dedicated fax and dedicate telephone lines of the Senior Executive Officer and Fisheries Office in Agricultural and Natural Resources Department be merged (recommendation 4) as this was in practical to the layout and activities that takes place in these sections.

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<sup>1</sup>

After initial purchase of fax machines, where recommended.

## INTRODUCTION

- 1.1 The 'E-mail versus Fax' audit review forms part of the overall 2006 -07 'Value for Money' audit programme, which was developed through a period of consultation, both within and outside Government.
- 1.2 The objective of the programme is to give prompt and independent assurance and an opinion on areas of concern relating to economy, efficiency or effectiveness of St Helena Government (SHG) activities.
- 1.3 A copy of this report will be made available to Corporate SHG, Heads of Departments, the SHG Audit Committee and the Public Accounts Committee.
- 1.4 Copies are also available to the public in the Jamestown library, at the Audit Service Offices and through publication at [www.audit.gov.sh](http://www.audit.gov.sh).

## SCOPE OF THE AUDIT

- 2.1 Given the ever increasing use of e-mail by SHG, the audit objective was to determine whether there was a continued justification for the number of fax machines in use, and, if this was the case, to check whether these were being used on a cost-effective basis.
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- 2.2 Given the narrow focus of the study, it was decided to review fax usage across all SHG Departments. We therefore undertook a survey of the e-mail and fax usage of the following Departments and Sections:
- Agricultural and Natural Resources:
    - Administration Section
    - Fisheries Section
  - Audit
  - Development and Economical Planning
  - Education:
    - Administration Section
    - Half Tree Hollow First School
    - Pilling Primary School
    - Prince Andrew School
    - Public Library
  - Employment and Social Security
  - Finance:
    - Administration Section

- Customs Section
- IT Section
- Legal, Lands and Planning
- Office of the Chief Secretary:
  - Communications Section
  - Tourism Section
- Personnel
- Police
- Post Office
- Public Health and Social Services
- Public Works and Services:
  - Administration Section
  - Transport Division

- 2.3 Initially a questionnaire was sent to the Departments and Sections listed to obtain basic information on the level of fax and e-mail usage and the various costs involved. The questionnaires were followed up by interviews with the responsible officer within each Department or Section.
- 2.4 The audit was undertaken by Helena Bennett, Acting VFM Audit Manager and Sophie Young, Assistant Auditor during the period July to September 2006. The total cost of undertaking the audit was £1,400.
- 2.5 The considerable level of assistance given to the Audit Service by all staff and third parties involved during the course of the audit is acknowledged with appreciation. A listing of those involved is included in Appendix B.

## FINDINGS AND CONCLUSIONS

- 3.1 The main findings and conclusions are presented here and are based upon the agreed scope of the audit, the actual work undertaken and the evidence gathered. Those findings which have resulted in recommendations being made are presented in Section 4 of the report together with the management responses and action plans.
- 3.2 The overall audit opinion on the use of fax and e-mail by SHG Departments is that the systems are 'adequate'. A definition is provided in Appendix A.

## USAGE OF E-MAIL AND FAX

3.3 Each method of communication was assessed to determine its usage. While e-mail is used daily by all Departments, fax was used more sporadically. The range of usage across Departments ranged from daily through to biannually.

3.4 Despite the fact that the use of e-mail was far more widespread, Departments gave the following reasons for the continued use of fax machines:

- for some clients and suppliers it was the only means of communication;
- it was considered more secure than e-mail;
- it was considered more appropriate when sending and receiving official documentation (ie those stamped or signed). Also the quality of scanned documents was seen as too variable;
- certain standard documentation within SHG was in paper format, and fax was viewed as the quickest way to respond; and
- Certain information was not computerised and some staff were unfamiliar with the use of scanners.

3.5 Although all Departments used e-mail to a far greater degree, for the reasons given above, communication by fax was still necessary and none could do without their fax machine. Also fax was seen as a useful back-up where e-mails had been returned for various reasons.

## COST INVOLVED

### E-MAIL

3.6 11 Departments had intranet systems, allowing limitless e-mail and internet service for the set fee (between £4,000 and £9,182 per annum, depending on whether Departments share intranet circuits with others, and the size of the circuit rented).



3.7 9 Departments and Sections had 'dial up' connection with Cable and Wireless (C&W) 'Helanta'. The main reason for these departments and sections not to be on an intranet system was due to their not being able to secure funding to install the

system. During the audit we found a discrepancy in the Administration Section of Education, where they were paying for 6 'dial up' connections, whereas only 5 e-mail accounts were actually being used. (See Recommendation 1)

### FAX

3.8 All Departments and Sections had a fax machine within their office. However, 9 used dedicated fax lines and 12 used dual lines (7 were dual fax/telephone lines; 5 were dual fax/ internet lines).



3.9 5 Departments and Sections had switch board and or dedicated telephone lines, intranet, 'dial-up' connection and dedicated fax lines. As noted in paragraph 3.3 above, fax machines are used irregularly and only in specific circumstances. Having dedicated fax rental lines therefore is considered unnecessary, where fax volumes are low. (See Recommendation 4, 5, 6, & 7)

3.10 Fax machines in 3 Departments were also found to be rented from C&W at a cost of £420 per annum. This rental cost includes a monthly maintenance, cartridges and or toners. From our interviews however, it was found that most Departments cannot remember the last time a cartridge was changed (indicative of a low usage level) or when the fax machine had had technical problems. Departments also acknowledged that for minor problems they would initially call upon their IT section's technician.

3.11 The cost of purchasing a fax machine ranges from £80 (appropriate for minimal fax usage) to £600 (heavy fax usage). For Departments with low fax usage, we conclude that purchasing would be the most cost effective option. This is particularly so as the benefits of the monthly maintenance, which is included in the rental charge, are negligible given the low usage rates.

(See Recommendation 2, 3, & 7)

**OVERALL CONCLUSION**

3.12 All Departments surveyed made use of both e-mail and fax as means of communication. Although e-mail was used to a far greater extent, faxes were being sent under appropriate circumstances.

3.13 It was considered a more secure method of transmitting official documents or documents of a sensitive nature, and unlike e-mail not prone to computer 'hackers'. Also faxes were preferred in

some cases for large documents because of restrictions on Mail boxes size limits.

3.14 SHG Departments are using both methods to assist them in their activities and the dis-continuation of the fax facility would hamper their operational efficiency. However in the light of low, and decreasing usage levels, Departments should review whether their use of dedicated lines for their fax machines can still be justified and whether purchase rather than renting fax machines is a more cost effective option.

#### 4. RECOMMENDATIONS AND MANAGEMENT ACTION PLAN

Recommendations in **grey scale** are recommendations disagreed during management's review.

##### EDUCATION

Recommendation <b>1</b>	<p><b>The Administrative Section of Education should request a review of their internet access fees by Cable and Wireless, as it appears they are currently paying for 6 internet access fees whilst having only 5 known internet accounts.</b></p> <p><i>(For Audit Finding on which this is based, refer to Main Report, Section 3.7)</i></p>		
Priority: (H/M/L)	<b>HIGH</b>	Anticipated Timeframe	<b>Within 2 months</b>
Management Response	General Comments:		
	<b>Accepted – C&amp;W is in the process of reviewing the number and nature the of internet access accounts in Education, Admin.</b>		
	Officer responsible for Implementation:		
	<b>Executive Officer (Accounts)</b>		
	Implementation expected complete by: (Month & Year)		
	<b>March 2007</b>		

Recommendation <b>2</b>	<p><b>Prince Andrew School should consider purchasing their own fax machine, rather than renting a fax machine from Cable &amp; Wireless.</b></p> <p><b>Whilst having a 'one-off' purchase cost for a fax machine, savings made per year would be £420</b></p> <p><i>(For Audit Finding on which this is based, refer to Main Report, paragraphs 3.10 and 3.11)</i></p>		
Priority: (H/M/L)	<b>MEDIUM</b>	Anticipated Timeframe	<b>Within 6 months</b>
Management Response	General Comments:		
	<b>Accepted – However, will wait for the new financial budget to purchase a fax machine.</b>		
	Officer responsible for Implementation:		
	<b>PAS Head teacher</b>		
	Implementation expected complete by: (Month & Year)		
	<b>September 2007</b>		

##### LEGAL, LANDS AND PLANNING DEPARTMENT

Recommendation <b>3</b>	<p><b>LL&amp;PD should consider purchasing their own fax machine, rather than renting a fax machine from Cable &amp; Wireless.</b></p> <p><b>After the initial purchase cost, ongoing rental savings of £420 per year would be made.</b></p> <p><i>(For Audit Finding on which this is based, refer to Main Report, paragraphs 3.10 and 3.11)</i></p>		
Priority: (H/M/L)	<b>MEDIUM</b>	Anticipated Timeframe	<b>Within 6 months</b>
Management Response	General Comments:		
	<b>Recommendation accepted – SEO commented this issue had been highlighted previously.</b>		
	Officer responsible for Implementation:		
	<b>Senior Executive Officer, LL&amp;PD</b>		
	Implementation expected complete by: (Month & Year)		
	<b>March 2007</b>		

## AGRICULTURAL AND NATURAL RESOURCES DEPARTMENT

Recommendation <b>4</b>	<p><b>ANRD operates a switch board, dedicated telephone lines and a dedicated fax line. It is recommended that:</b></p> <ul style="list-style-type: none"> <li>• <b>The dedicated fax line and dedicated telephone line of the Senior Executive Officer in the Administrative be merged;</b></li> <li>• <b>A review of the dedicated telephone line for ‘vessel monitoring systems’ be made to confirm whether it can be merged with the dedicated fax line.</b></li> </ul> <p><b>If the above recommendations are implemented, ANRD would make a saving of £360 per year.</b></p> <p><i>(For Audit Finding on which this is based, refer to Main Report, paragraph 3.9)</i></p>		
Priority: (H/M/L)	<b>HIGH</b>	Anticipated Timeframe	<b>Within 2 months</b>
Management Response	<p>General Comments:</p> <p><b><i>Whist ANRD agreed the above concept:</i></b></p> <p><b><i>Bullet 1 – is not considered feasible due to the positioning of the fax machine in the SEO Admin office and all admin staff using it. Re-arranging the layout of the office with regards to merging the lines was considered but this would cause disruptions as the SEO would need to rely on the telephone.</i></b></p> <p style="text-align: center;"><b><i>This recommendation is not accepted.</i></b></p> <p><b><i>Bullet 2 – the merging of the fax line and telephone was considered, but at this time is not considered ‘workable’ for the above reason. However Senior Fisheries Officer and CANRO commented there will be re-organisation of the Fisheries section and once this re-organisation is confirmed this recommendation will be reviewed.</i></b></p> <p style="text-align: center;"><b><i>Recommendation accepted.</i></b></p>		
	Officer responsible for Implementation:		
	<b><i>Chief Agricultural and Natural Resources Officer</i></b>		
	Implementation expected complete by: (Month & Year)		
	<b><i>April 2007</i></b>		

## FINANCE

Recommendation <b>5</b>	<p>The Administrative Section of Finance should consider merging their dedicated telephone line for Internet Access and their dedicated fax line.</p> <p>This would save £180 line rental per year</p> <p><i>(For Audit Finding on which this is based, refer to Main Report, Section 3.9)</i></p>		
Priority: (H/M/L)	<b>HIGH</b>	Anticipated Timeframe	<b>Within 2 months</b>
Management Response	<p>General Comments:</p> <p><i>Whilst the CFO accepted this recommendation, he commented that the purpose of having an 'helanta internet account' is due to the 'sainthelena.gov.sh' server currently being 'blocked' by AOL, which the Currency Fund customers uses.</i></p> <p><i>The IT Section is planning on addressing this issue by building a new server, which, once running, the helanta internet account would no longer be needed. Thus making an additional savings of £60 to the above £180. The CFO stated that rather than creating hassle of merging the helanta Internet account and fax machine line and then cancelling the helanta Internet account, he would wait on the new server. If however the new server is not ready by the implementation date below, then he would merge the lines.</i></p> <p>Officer responsible for Implementation:</p> <p><b>Chief Finance Officer</b></p> <p>Implementation expected complete by: (Month &amp; Year)</p> <p><b>May 2007</b></p>		

## PUBLIC WORKS AND SERVICES DEPARTMENT

Recommendation <b>6</b>	<p>The Transport Division should consider merging the dedicate telephone line and fax line within their Garage.</p> <p>This would save £180 line rental per year</p> <p><i>(For Audit Finding on which this is based, refer to Main Report, paragraph 3.9)</i></p>		
Priority: (H/M/L)	<b>HIGH</b>	Anticipated Timeframe	<b>Within 2 months</b>
Management Response	<p>General Comments:</p> <p><b>Agreed for implementation</b></p> <p>Officer responsible for Implementation:</p> <p><b>Senior Transport Manager</b></p> <p>Implementation expected complete by: (Month &amp; Year)</p> <p><b>December 2006</b></p>		

## OFFICE OF THE CHIEF SECRETARY

Recommendation <b>7</b>	<p><b>i. OCS operates on an intranet system, as well as having a dedicated fax line and dedicated telephone line for internet access.</b></p> <p><b>It is recommended that the telephone line for the internet access and the dedicated fax line are merged.</b></p> <p><b>ii. The fax machine currently used by OCS is rented. It is recommended that OCS purchase a fax machine.</b></p> <table style="margin-left: auto; margin-right: auto;"> <tr> <td></td> <td style="text-align: right;">£</td> </tr> <tr> <td><b>Savings that could be made:</b></td> <td></td> </tr> <tr> <td><b>Merging of 2 telephone lines</b></td> <td style="text-align: right;"><b>180</b></td> </tr> <tr> <td><b>Ownership of fax machine</b></td> <td style="text-align: right;"><b><u>420*</u></b></td> </tr> <tr> <td></td> <td style="text-align: right;"><b>600</b></td> </tr> </table> <p><b>* after initial purchase cost</b></p> <p><i>(For Audit Finding on which this is based, refer to Main Report, paragraphs 3.9, 3.10 &amp; 3.11)</i></p>				£	<b>Savings that could be made:</b>		<b>Merging of 2 telephone lines</b>	<b>180</b>	<b>Ownership of fax machine</b>	<b><u>420*</u></b>		<b>600</b>
	£												
<b>Savings that could be made:</b>													
<b>Merging of 2 telephone lines</b>	<b>180</b>												
<b>Ownership of fax machine</b>	<b><u>420*</u></b>												
	<b>600</b>												
Priority: (H/M/L)	<b>HIGH (i)</b> <b>MEDIUM (ii)</b>	Anticipated Timeframe	<b>Within 2 months (i)</b> <b>6 months (ii)</b>										
Management Response	<p>General Comments:</p> <p><b><i>Agreed for implementation – OCS comment that they will liaise with C&amp;W on the purchase of a fax machine.</i></b></p> <p>Officer responsible for Implementation:</p> <p><b><i>Communications Officer</i></b></p> <p>Implementation expected complete by: (Month &amp; Year)</p> <p><b><i>April 2007</i></b></p>												

**APPENDIX A****AUDIT OPINION DEFINITIONS**

Every VFM audit concludes with an overall opinion based upon individual opinions that are applied to each of the review areas identified as part of the cope of the audit. The range of opinions, together with an explanation of their meanings, is as follows;

<i>Value For Money Opinions</i>	
<b>GOOD</b>	Management arrangements are conducive to achieving Value For Money and only minor enhancements, if any, can be identified.
<b>ADEQUATE</b>	Management arrangements are generally conducive to achieving Value For Money – but further important enhancements could be made.
<b>INADEQUATE</b>	Management arrangements are not considered to be adequately conducive to achieving maximum Value For Money.

**AUDIT RECOMMENDATION PRIORITIES**

<i>Priority</i>		<i>Anticipated Time Frame</i>
<b>HIGH</b>	Immediate risk to achieving the outputs of the operation at lowest cost, efficiently and effectively.	2 Months
<b>MEDIUM</b>	Issues identified which would improve the quality of the operation, with regards to cost-effectiveness and/ or output.	6 Months
<b>LOW</b>	Minor enhancements, identified to improve the effectiveness of the operation.	1 Year

**APPENDIX B****LIST OF PERSONNEL CONSULTED DURING AUDIT**

The assistance given to the Audit Service by all those listed below during the course of the audit is acknowledged with appreciation.

<b>NAME</b>	<b>JOB TITLE</b>	<b>SECTION / AREA</b>
Douglas Bennett	Assistant Secretary (Human Resources)	St Helena Government – Personnel
Beverly Francis	Post Mistress	St Helena Government – Post Office
Delma Williams	Auditor	St Helena Government – Audit
Corinda Essex	Chief Development Officer	St Helena Government – DEPD
Keith Brinsden	Senior Customs Officer	St Helena Government – Finance, Customs
Joycelyn Constantine	Executive Officer	St Helena Government – ANRD
Wendy Thomas	Executive Officer	St Helena Government – PWSD
Jacqueline Robinson	Executive Officer	St Helena Government – Police
Lorrian Yon	Executive Officer	St Helena Government – Finance, Admin
Elaine Benjamin	Head Teacher – Pilling Primary School	St Helena Government – Education
Karen Yon	Senior Executive Officer	St Helena Government – LL&PD
Gerald Benjamin	Senior Fisheries Officer	St Helena Government – ANRD
Linda Benjamin	Communications Officer	St Helena Government – OCS
Gillian Francis	Deputy Secretary (Acting)	St Helena Government – OCS
Jerry Roberts	IT Manager	St Helena Government – Finance, IT
Jackie Lawrence	Ag IT Manager	St Helena Government – Finance IT
Helen Lawrence	Assistant Secretary	St Helena Government – PHSSD
Lily Andrews	Senior Executive Officer	St Helena Government – PHSSD
John Cranfield	Senior Transport Manager	St Helena Government – PWSD
Marilyn Joshua	Head Teacher, Half Tree Hollow School	St Helena Government – Education
Pamela Young	Director of Tourism	St Helena Government – OCS
Joanne Crowie	Executive Officer	St Helena Government – Education
Patricia Clark	Executive Officer	St Helena Government – Education
Jill Young	Librarian	St Helena Government – Education
Alicia Thomas	Executive Officer	St Helena Government – ESSD
Noleen Stevens	Customer Services	Cable & Wireless