**EXCO REPORT - TUESDAY 14 DECEMBER 2016**

This morning there was a special ExCo meeting, called to consider the SHG Financial Statements for 2015/16 and the Chief Auditor’s Management Letter.

ExCo was joined by the Chief Auditor (via Skype) and members of the Audit team.

The Financial Secretary recognised the significant effort by the SHG Finance team and the St Helena Audit Service in ensuring that the backlog of financial reporting was brought up to date - and today marked the point at which it could be said that this had been achieved.

The Financial Secretary gave an overview of the Financial Statements and acknowledged the qualifications to the statements which related to the classification of the Bulk Fuel Installation, the Eligibility of Basic Island Pension payments, and the valuation of Aid-funded Infrastructure.  The Chief Auditor has also given a qualified regularity opinion on the increase in pensions payments for 2015/16.  In addition, there were four recommendations to management which will be considered by the Financial Secretary in due course.  The Chief Auditor was able to explain fully to Executive Council the terms of his Management Letter.

ExCo thanked all concerned for the efforts in bringing this process up to date and agreed that the Financial Statements should be signed.

**ExCo**

**14 December 2016**