

Minutes of the Meeting of Executive Council held on Tuesday, 31st March 2020 at 11am in the Council Chamber

Present: His Excellency the Governor (Dr Philip Rushbrook)
The Hon Chief Secretary (Mrs S O'Bey)
The Hon Financial Secretary (Mr D L Richards)
The Hon Attorney General (Mr A T Cansick)
The Hon C R Beard
The Hon A A Green
The Hon L A Henry
The Hon D F Thomas
The Hon R K Yon

In attendance: Clerk of Councils (Mrs C C Johnson)
Head of Corporate Support (Mrs C A George)
Head of Governor's Office (Mr Greg Gibson) from 11.30 am

Apologies: Head of News (Mrs K Yon)

OPEN SESSION

74.1 Welcome

The Governor welcomed all to the meeting. Members of the public were in attendance.

Before commencement of substantive discussions, the Governor asked Members whether they had been given sufficient time to consider item numbers 1 - 4 on the agenda, as he was aware that Members had been extremely busy during the past few days. Members requested that they deal only with item 5 on the agenda, as it was time-sensitive; HE the Governor agreed to this request and asked that a further meeting of Executive Council be arranged for 7th April 2020 to deal with the deferred business.

74.2 SHG Financial Statements & Audit Management Letter 18/19 (ExCo Memo 32/2020)

The Deputy Financial Secretary, Mr Nicholas Yon, Financial Reporting Manager, Mrs Jessica Harper, Chief Auditor, Mr Phil Sharman and Audit Manager, Ms Vimbai Chikwenhere were in attendance for this item of business.

The Financial Secretary introduced the Memorandum asking Council to consider the St Helena Government Entity Financial Statements for 2018/19 with the Chief Auditor's Management Letter covering those accounts, in order for the Statements to be signed by the Financial Secretary and for the Audit Opinion to be given.

The Financial Secretary advised that the draft Management Letter had been discussed with Members at a Chairperson Assembly Meeting attended by the Chief Auditor and the Elected Members had caucused at a separate meeting. The Financial Secretary acknowledged the paper was late but this was due to some challenges as three members of staff had been off work for a length of time. The Financial Secretary said that three qualifications from the previous Statements had been removed so only one previous qualification remained, along with a new one relating to a write-off, which required the approval of the Secretary of State.

The Deputy Financial Secretary explained the key highlights to Members which were the:-

- 1) Statement of Financial Performance
- 2) Statement of Financial Position
- 3) Balance on the General Reserves
- 4) Balance on impairment on property, plant and equipment.

The Chief Auditor enlightened Members on the highlights arising from the draft Management Letter and the key issues arising from the Audit which were that:-

- 1) 3 of the 4 qualifications had been cleared
- 2) it would be a Qualified Audit Report for 2018/19
- 3) there was an Opinion on fair presentation of the accounts, an Opinion on regularity of expenditure and revenue and an Opinion on compliance with statutory authorities.

The Chief Auditor explained that he would be giving a Qualified Opinion and the reasons therefor. He acknowledged the progress made in that the Accounts had been prepared in 12 months, adding that DFID require them to be completed in 9 months after the year-end. He further acknowledged the progress made in addressing 10 of 20 longstanding recommendations, adding that 14 recommendations were now to be addressed. The Chief Auditor highlighted that a Governance Statement had not been submitted with the Accounts, which had happened in the past and whilst this was not a requirement, it was best practice to still produce a Governance Statement and that possibly Regulations may need to be introduced at some point to formalise this requirement. He added that Governance Statements could possibly be routed through the Audit and Risk Committee.

The Financial Secretary advised that there were issues around the non-disclosure agreements relating to severance payments which were a concern to Elected Members which would need to be approached differently in future. He thanked his team and the Audit team for bringing the matter to conclusion under difficult circumstances.

The Chairman, Economic Development Committee acknowledged the work of all involved in the preparation of the accounts and endorsed the view that a Governance Statement should be prepared. With regards to Severance payments, he was of the view that Executive Council should have been made aware of those at the time they were agreed and that a policy underpinning a protocol on non-disclosure agreements should be developed to ensure more

openness and transparency, especially at a time when resources were not plentiful. He added that this should be given a high priority for action. All Members agreed.

(Action: Hon Chief Secretary)

Following discussion, Council advised and the Governor agreed, that the St Helena Government Entity Financial Statements for 2018/19, with the Chief Auditor's Management Letter covering those accounts, should be signed by the Financial Secretary and for the Audit Opinion to be given and furthermore, before an audit opinion can be given; Council advised and the Governor agreed to make a determination about correcting or not correcting material misstatements (qualifications) such that Executive Council approved and noted the following:-

- a) notes the request of the Chief Auditor in his Management Letter on the audit of the 2018/19 Financial Statements to correct the material misstatements; and
- b) further notes the Financial Secretary's explanation for the misstatements and his intention to make no further amendments;
- c) approves the Financial Secretary's decision not to correct the remaining misstatements and authorises them for issue;
- d) authorises the Financial Secretary to give the required written representations to the Chief Auditor contained in the Letter of Representation; and
- e) note that the Chief Auditor will issue a Qualified Opinion on the completed 2018/19 Financial Statements.

(Action: Hon Financial Secretary)

The Governor thanked the Chief Auditor and the Financial Secretary teams for their input and at this point, the Deputy Financial Secretary, Financial Reporting Manager, Chief Auditor and Audit Manager left the meeting.

74.3 Confirmation of Open Session Minutes of 25 February 2020

The minutes of the open session of 25th February 2020 were confirmed.

74.4 Matters Arising from the Open Session Minutes

74.4.1 (71.7.1) (67.3) St Helena World Heritage Status (ExCo Memo 12/2020)

The Chief Secretary confirmed that this would be taken forward by the Scoping Group.

74.4.2 (71.8.1) Criminal Justice (Fixed Penalties) Bill

The Attorney General advised that he was working with the Chair of the Social and Community Development Committee and the Police Directorate on this.

(Action: Hon Attorney General)

74.5 Any Other Business

74.5.1 Bradleys Visit

The Governor asked about the Bradleys visit; Members advised that they were impressed with the amount of work that had been completed in such a short time but concerned that essential equipment, such as test kits, had not yet arrived. HE the Governor assured Members that he was following up on this daily but if Members wished, he would write to express their concerns. Members were aware of the concerns of the public but advised this would be discussed in detail in the Closed Session. The Hon Derek Thomas suggested that Members write directly to Baroness Sugg requesting a meeting with her to discuss and outline concerns, rather than responding to the Foreign Affairs Committee letter. The Chief Secretary advised that she was tweaking the letter to Mr Tom Tugenhat, MP Chair of Foreign Affairs Committee and she offered to facilitate with the Members input, the letter to Baroness Sugg.

(Action: Hon Chief Secretary/Hon Members)



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Clerk of Councils



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Governor

28 April 2020

Date