



#### 4.3 (Minute 6.3 of 24 February 2021) FSRA Action Plan

The Financial Secretary (FS) had not yet circulated a copy of the plan to Members but would do so.

**(Action: Financial Secretary)**

#### 4.4 (Minute 6.4 of 24 February 2021) Sale of Chief Secretary Housing

The Financial Secretary informed Members that a paper had been prepared and had been considered by the Investment Enabling Group; an Executive Council memorandum would be prepared.

**(Action: Financial Secretary)**

#### 4.5 (Minute 6.5 of 24 February 2021) Budget Execution Report P7 (October 2020)

The Deputy Financial Secretary (DFS) informed Members that the information relating to the review of fees and charges as part of the MTEF process had been received from all Directorates. This would now be collated and the information circulated to Members.

**(Action: Deputy Financial Secretary)**

#### 4.6 (Minute 5 of 24 February 2021) Budget Execution Report (P10 January 2021)

The Deputy Financial Secretary (DFS) had not yet circulated the information requested regarding training funding per Directorate but would do so.

The DFS also reported that he had checked the query raised by the Hon Derek Thomas regarding the level of remuneration paid to casual employees of the Children and Adult Social Care Directorate and had been informed that the rate of pay for all Carers was the same. It was possible, however that the total remuneration for a Casual employee could be more than a full time employee but that could be due to the casual employee working more hours than a full-time employee. The DFS would however provide the details to Members by email by the 9<sup>th</sup> April 2021.

**(Action: Deputy Financial Secretary)**

#### 4.7 (Minute 8 of 24 February 2021) Second Supplementary Appropriation 2020/21 – Discussion Resumed

The Financial Secretary informed Members that he had asked His Excellency the Governor to give approval to amend the Withdrawal Warrant that had been presented at the 24 February 2021 meeting due to the issue of Audit Fees which he had explained to the Executive Council meeting the previous day, which potentially could result in the 2019/20 financial statements receiving a Qualified opinion. This would mean that the proposed withdrawal of £450k from the Corporate Finance budget would not now go ahead. The equivalent sum would however be received as Audit revenues, so there would be zero impact on the balance of the Consolidated Fund.

## 5. Budget Execution Report (P11 February 2021)

The Deputy Financial Secretary (DFS) presented the report, explaining that it included forecasts to the end of March 2021 and would be the last one for the current financial year.

An overall surplus of £1.1m was forecast to the end of the financial year; this would however now reduce by £450k due to the audit fees issues discussed earlier in the meeting.

The DFS explained the various areas where there were over or under collection of revenues and over or under expenditure in the various Directorates. Of particular note was the fact that a shipment of fuel had been received in the last week of March 2021, which would result in an increase in collection of Customs duties of around £400k. This shipment of fuel had not been expected until April 2021 and so adjustments would need to be made to the forecast revenue projections for the 2021/22 financial year to take account of the customs duty being collected in the 2020/21 financial year.

A projected saving of £96.5k in the Economic Development budget was noted but the Financial Secretary (FS) explained that some of this funding may be called upon to meet the winding-up costs of Enterprise St Helena (ESH); he added that the financial statements for ESH were unlikely to be completed until later in the year due to other commitments of the St Helena Audit Service.

The DFS explained that the underspend in the Human Resources budget to the year end was now £151k which was more than forecast in February due to travel costs being less than anticipated as a result of TC staff not taking overseas leave. The Police Directorate was still forecasting an underspend of £35k but there was a possibility that this funding might be required to meet the cost of fees for the OTRIS system.

A Member asked if he could be informed of the figure for the overall budget for salaries for the Public Service and the DFS undertook to provide this.

**(Action: Deputy Financial Secretary)**

A question was asked as to oversight of the St Helena Audit Service (SHAS), as it was understood that some local staff were in receipt of rental allowances. The FS explained that this was an historical arrangement which started some time ago when it was difficult to recruit qualified TC staff; he added that travel to and from the Island was also paid for the SHAS staff. The Hon Clint Beard declared in interest in this discussion, as his daughter was an employee of the St Helena Audit Service. The FS informed Members that the SHAS liaises with SHG Human Resources regarding terms and conditions of employment for local staff and there was a Cadre in place in line with the SHG Finance Cadre. His Excellency the Governor was the Line Manager of the Chief Auditor, who also reported to the Public Accounts Committee.

Some concern was expressed that the fact that the overall budget forecast indicated a surplus and how that might be interpreted by the Foreign and Commonwealth Development Office; there was also the question as to whether the priority areas had been correct when allocating the budget as part of the MTEF process for 2020/21-2022/23.

Another view was expressed that the MTEF process was not working; it was too time consuming and did not comprise a 'lessons learned' exercise.

In response to a question about debt collection, the FS stated that as part of the Fit for the Future programme, additional resources had been requested to work on debt recovery.

A request was also made for a definitive Budget Executive report for period 12 to be provided at the April 2021 Finance Committee meeting.

**(Action: Deputy Financial Secretary)**

Signed.....    A Beard    .....  
Chairman

Date.....28/04/21.....