



**St Helena
Government**

ST HELENA PUBLIC ACCOUNTS COMMITTEE

**REPORT TO LEGISLATIVE COUNCIL
ON THE FORMAL SESSION OF THE
PUBLIC ACCOUNTS COMMITTEE
HELD ON 8TH JUNE 2021**

St Helena Public Accounts Committee

Report to Legislative Council on the Formal Session of the Public Accounts Committee held on 8th June 2021

1. Introduction

In accordance with section 69 (6) of the Constitution of St Helena, the Public Accounts Committee (PAC) hereby reports to Legislative Council on the Formal Session of the Committee, held on the 8th June 2021.

Membership of the Committee comprised:

| | |
|----------------|-----------------------|
| Chairman: | Mr Cyril Gunnell |
| Vice Chairman: | Mr Mark Yon |
| Members: | Hon Dr. Corinda Essex |
| | Hon Jeffrey Ellick |
| | Hon Cyril Leo |

The Committee is advised professionally by the Chief Auditor, Mr. Phil Sharman and supported by Clerk Miss Anita Legg.

2. Contents

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- II. Government of St. Helena – Statement of Expenditure in Excess, Financial Year 2019/20, Sessional Paper 36/2020
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- IV. Concluding remarks

I. Introduction

This report of Public Accounts Committee arises from consideration under section 106(2) of the Constitution, of an updated Statement of Expenditure in Excess for 2019/20, laid as Sessional Paper 22/2021 by the Financial Secretary at the formal meeting of Legislative Council held on 4th June 2021.

The applicable section, 106 of the Constitution, states:

“Where at the close of accounts for any financial year it is found that monies have been expended on any expenditure vote in excess of the amount appropriated for it or for a purpose for which no monies have been appropriated, the amount of the excess expended, or not appropriated, as the case may be, shall be included in a statement of expenditure in excess which shall be laid before the Legislative Council and referred to the Public Accounts Committee”.

II. SHG Statement of Expenditure in Excess 2019/20, Sessional Paper 36/2020

At their formal meeting held on 1st February 2021, PAC examined the SHG Statement of Expenditure in Excess for 2019/20 laid as Sessional Paper 36/2020.

This Statement reported two recurrent heads of Expenditure in Excess:

- Head 29. Children and Adult Social Care in the amount of £45,215
- Head 23. Health in the amount of £191,755

The Committee took evidence from officials on the reasons for the incurrence of expenditure in excess of budgetary authority. In their report Sessional Paper 13/2021 prepared under section 106(2), PAC recommended that the amounts in excess be allowed to stand charged to public funds. Legislative Council passed the required motion under section 106(3) on 26th March 2021.

III. SHG Statement of Expenditure in Excess 2019/20 (updated), Sessional Paper 22/2021

Subsequent to the preparation and consideration of Sessional Paper 36/2020, adjustments to the financial statements as a consequence of the audit process have necessitated the Financial Secretary to prepare and lay an updated Statement as Sessional Paper 22/2021, which now requires further scrutiny by PAC.

The Statement again reports two recurrent heads of Expenditure in Excess:

- Head 29. Children and Adult Social Care in the amount of £45,215
- Head 23. Health in the amount of £137,796

The Statement also reports one new capital head of Expenditure in Excess:

- Head 17. Corporate Finance in the amount of £41,363

PAC made additional enquiries of the Financial Secretary as follows:

- Why it had become necessary to present an updated Statement of Expenditure in Excess;

- The nature of the change in excess expenditure now reported on Head 23 Health;
- The nature of and reason for the reported capital expenditure in excess on Head 17 Corporate Finance;
- Given the excess expenditure related to equipment and preparatory works associated with the construction of a quarantine facility how such expenditures were controlled;
- Why the authorised estimate Corporate Finance was insufficient to cover the capital expenditure incurred on this Head;
- Why there not been any supplementary estimate or special warrant sought to cover this expenditure.

PAC received explanations and assurances for these enquiries. Based on the responses provided by SHG management the main conclusions are drawn below, with recommendations proposed after PAC deliberations.

Main conclusions

Head 29. Children & Adults Social Care

There is no change on the excess expenditure on Head 29 as scrutinised in Sessional Paper 13/2021 and allowed to stand charged to public funds under section 106. Accordingly no further scrutiny is required.

Head 23. Health Directorate

The excess expenditure on Head 23 was previously miscalculated and should have been reported as £226,951 and not £191,755 as presented in Sessional Paper 36/2020.

Nonetheless, as a consequence of adjustments to the audited expenditure on Head 23, the reported excess has reduced to £137,796. This amount is less than that previously scrutinised in Sessional Paper 13/2021 and allowed to stand charged to public funds under section 106. Accordingly no further scrutiny is required.

Head 17. Corporate Finance

- The Financial Secretary explained that this expenditure had been incurred in late March 2020 associated with pandemic preparedness. The expenditure specifically covered surface improvement works, including

materials, labour and plant hire, required for dust mitigation at the Bradleys Camp ahead of the planned redevelopment of the site as a quarantine facility in financial year 2020/21.

- Capital expenditure on Bradley's Camp, to the amount of £71,869, was found to be incorrectly charged to recurrent expenditure as part of the audit process. After this correction total capital expenditure on the Corporate Finance Head was increased to £591,363 against appropriated capital expenditure of £550,000 giving an excess of £41,363.
- Prior to the required audit adjustment the amount incurred had been accommodated within the appropriated sum for recurrent expenditure under Head 17 and therefore no excess had arisen on a recurrent basis.

Recommendations

In relation to its scrutiny of the updated SHG Statement of Expenditure in Excess for 31 March 2020, **PAC recommends that:**

1. The excess expenditure reported in Sessional Paper 22/2021 be allowed to stand charged to public funds for the financial year 2019/20 as follows:
 - Head 17: Corporate Finance capital expenditure of £41,363
 - Head 23: Health recurrent expenditure of £137,796;
 - Head 29: Children and Adult Social Care recurrent expenditure of £45,215

IV. Concluding Remarks

PAC acknowledges the assistance of the Financial Secretary and attending officers of St Helena Government, in giving evidence in response to lines of enquiry, also the work of the Chief Auditor and staff in assisting with the production of this report to Legislative Council.

This report is hereby authorised for issue to Legislative Council pursuant to section 106(2) and section 69(8) of the Constitution of St Helena.



Cyril Gunnell
Chairman

9 June 2021

