

ASCENSION ISLAND GOVERNMENT

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Formal meeting of the Ascension Island Council Finance Committee

1700 on Thursday 07 July 2022 at the Court House

MINUTES

Present: Shendi Keshet, Director of Resources

Councillor Alan Nicholls
Councillor Andrew Ellick
Councillor Nicholas John

In attendance: Catherine Leo, Assistant Director of Resources
David Mills, Director of Operations and Facilities
Siobhan Stewart, Clerk of Council

1. Welcome

The Director of Resources (DoR) welcomed all parties and explained that following the recent informal meeting of the finance committee, five items were now ready to be formally brought before the finance committee. The DoR explained that the constitution requires that estimates of revenue and expenditure are produced at the beginning of each financial year and that any additional funding requests must be passed through an appropriation ordinance for authorisation.

2. Additional Funding Development Fund

- (i) **Ice Machine:** The DoR requested that committee members consider a spend of up to £10,000 to procure a new ice machine to support with AIG critical operations. The Assistant Director Resources (ADoR) explained that a new ice machine is essential for employees who work ship work operations, remote offsite working, hospital requirements, as well as various large functions carried out across the AIG. Councillor Ellick asked whether the three estimates have been sought yet, the ADoR explained that as per the AIG procurement process, three quotations are not a prerequisite at this stage, clarifying those items must first be formally approved. Further discussion was had regarding the multiple stages within the AIG procurement process, with confirmation given that following a value for money exercise the most suitable quotation out of the three would then be chosen. Councillor Nicholls recommended that consideration be given to the high temperature conditions that the machine is expected to operate in; the ADoR confirmed that the operating conditions are being taken into consideration. Councillor Ellick highlighted the need for versatility in equipment procured, citing the purchase of a new crane in recent years. The ADoR explained that the crane was purchased through CSSF funding and therefore did not require this process or council approval. Councillor Nicholls asked whether the purchase of two smaller machines had been considered to offer further resilience. The ADoR explained that the current machine will be kept as a backup for the replacement one. Councillor John requested confirmation of freight costs. The ADoR confirmed that the cost of the machine is expected to be around £8,000 with a further £2,000 included in the bid for delivery and freight.

The DoR asked each Committee Member in turn if they are happy to take the proposal for an appropriation of £10,000 for capital expenditure to the Development Fund for the 2022/23 financial year forward as a recommendation to the Island Council?

	Proposal	AE	NJ	AN
1	Procurement of Ice Machine up to the value of £10,000	No	Yes	Yes

- (ii) **Road Sweeper:** The DoR requested that committee members consider the request for £125,000 for a road sweeper which will assist in improving road maintenance and the cleaning of public and residential areas. The DoR confirmed that the life span of the vehicle is expected to be around 10 years. Councillor Nicholls asked whether the AIG can afford all of the items proposed in today's meeting, reaching in total almost a quarter of a million, especially following the recent concessions made when budget setting for 2022/2023, such as the ring fencing of three millions pounds and changes to tax allowance, all of which have recently reduced the AIG's reserves considerably. The DoR reassured Councillors that the AIG can afford all four purchases, highlighting that the AIG are currently holding around nine months of reserves. The DoR also explained that that following the six month point in September 2022, a reforecasting exercise will take place where updated figures and forecasts will be provided to Councillors. The ADoR confirmed that the reserves currently holds 11 million pounds in cash with a consolidated spend for the year expected to be around seven million, therefore recommending that the funding is approved. Councillor Nicholls suggested that it may be worth holding off on the purchase of the road sweeper until the September forecasts are released, however the DoOF explained that there is a long lead time involved with this purchase and that he would like to see it on island in time for bad weather periods early next year. Councillor John noted that whilst the piece of equipment is costly, he appreciates that the team responsible for maintaining the roads is very small and that this machinery will go some way in assisting.

The DoR asked each Committee Member in turn if they are happy to take the proposal for an appropriation of £125,000 for capital expenditure to the Development Fund for the 2022/23 financial year forward as a recommendation to the Island Council?

	Proposal	AE	NJ	AN
2	Procurement of a Road Sweeper up to the value of £125,000	Yes	Yes	Yes

3. Additional Funding Consolidated Fund

- (i) **COVID 19 staffing and tests:** The DoR explained that as the AIG prepares for the COVID19 exit strategy, and quarantine restrictions are removed, additional staff and Lateral Flow Tests will be required. The DoR explained that what is being bid for is both prudent and reasonable to ensure the Georgetown Hospitals resilience, confirming that should further investment be required meetings can be arranged to approve this.

The DoR asked each Committee Member in turn if they are happy to take the proposal for an appropriation of £81,350 for capital expenditure to the Consolidated Fund for the 2022/23 financial year forward as a recommendation to the Island Council?

	Proposal	AE	NJ	AN
3	COVID 19 staff and LTF tests up to the value of £81,350	Yes	Yes	Yes

- (ii) **COVID 19 Consumables:** The DoR explained that as the AIG prepares for the COVID19 exit strategy, and quarantine restrictions to be removed, COVID19 in the community is expected. As AIG departments prepare for this eventually, it is essential that departments have the correct equipment at their disposal to keep their staff and work places as safe as possible. Councillor Ellick highlighted that in the most recent informal meeting of the Ascension Island Council it was reported that a substantial amount of FCDO funded PPE had been purchased and was due to arrive in Ascension imminently. The ADoR explained that the PPE Councillor Ellick is referring

to is for the Georgetown hospital only, clarifying that the request today is for other departments across the AIG. Councillor Ellick also raised the issue of sharing/donating PPE across the Island, referring to a recent donation the Georgetown hospital made to other AIG departments, suggesting that donations should be shared across all Employing Organisations in Ascension. The ADoR explained that PPE is already required and in use within AIG departments, citing the example of AIG employees managing the Airlink flight in Ascension. The ADoR highlighted the importance of protecting employees so they can continue working and providing critical services to the island. Further discussion was had regarding what other employing organisations are doing to keep their staff safe. Councillor Nicholls noted that whilst the SMO does not anticipate any hospital admissions as a result of the lifting of COVID19 restrictions there are some concerns regarding contingency planning in worst case scenarios. The DoR assured councillors that she would raise these concerns with the SMO.

The DoR asked each Committee Member in turn if they are happy to take the proposal for an appropriation of £8,651 for capital expenditure to the Consolidated Fund for the 2022/23 financial year forward as a recommendation to the Island Council?

	Proposal	AE	NJ	AN
4	COVID 19 Consumables up to the value of £8651	Yes	Yes	Yes

4. 2020/2021 Audited Accounts and Audit Management Letter

The DoR reported on some of the recommendations raised in the most recent audit management letter, of which a memo will be provided to committee members soon. The DoR explained that there were three reasons given for qualifying the account.

- (i) **The Asset Register on property and plant equipment:** The DoR explained that the valuations of land were indeterminable with the auditor recommending that crown land should be valued. Further discussion was had regarding the lack of a property market here and the no right of abode in Ascension. There was also an issue with items fully depreciated and still in use, where the length of the extended life of the item should be extended.
- (ii) **Pharmacy Stock:** The ADoR explained that whilst an accurate and managed stock of pharmaceutical items is held at the hospital, stock is expensed financially upon purchase rather than each time an item is dispensed from the pharmacy physically. The requirement from Audit is that the stock held at year-end is recognised in the balance sheet rather than expensed. The ADoR explained that values have been applied to existing dry consumable stock also, with the hope of avoiding this issue in future years. Councillor Ellick requested clarity on how entitled and non-entitled and prescriptions are managed. The ADoR confirmed that an existing system is already in place to charge the non-entitled and external fees only to employing organisations.
- (iii) **Risk Register and KPI's:** The DoR explained that work is beginning on a central Risk Register and KPI's for the AIG, having observed an excellent level of internal controls with the AIG finance department. Councillor Nicholls highlighted a point raised in the audit report where it states that the laws of Ascension do not prescribe any particular statutory requirements as to the form and content of the Government financial statements. The ADoR explained that unlike Saint Helena, there are no legal requirements for financial accounts to be approved by Council. Further discussion was had regarding the wording used in the constitution, of which the DoR agreed to look into the legal requirements and provide an update to committee members at a later date.

5. 2021/2022 Draft Accounts Update

The DoR reported on the continuing work in preparation for the year end accounts and the impending visit from the Chief Auditor later in July 2022. The ADoR confirmed that the financial position following the first quarter of 2022 will be made available to committee members over the next few weeks. Discussion was had regarding the challenges of the General Election falling mid way through the financial year and the appointment of potentially new councillors and committee members. The DoR assured councillors that any newly elected members will be brought up to speed with one to one sessions, ensuring minimal disruption.

7. Overall proposed positions

	Proposal	AE	NJ	AN
1	Procurement of Ice Machine up to the value of £10,000	No	Yes	Yes
2	Procurement of a Road Sweeper up to the value of £125,000	Yes	Yes	Yes
3	COVID 19 staff and LTF tests up to the value of £81,350	Yes	Yes	Yes
4	COVID 19 Consumables up to the value of £8651	Yes	Yes	Yes

The DoR thanked Councillors for their contributions and for the decisions that have been made today.

8. Any other business

There were no items of **other business**:

There was no further business and the meeting ended at 17:45

Siobhan

Siobhan Stewart
Clerk of Council

I certify that this is a true record of the meeting to which it relates.



Shendi Keshet
Director of Resources – Chair of the Finance Committee